



BANK NORWEGIAN AS
(incorporated with limited liability in Norway)
NORWEGIAN FINANS HOLDING ASA
(incorporated with limited liability in Norway)

€1,500,000,000
Euro Medium Term Note Programme

Under the €1,500,000,000 Euro Medium Term Note Programme (the **Programme**) described in this base prospectus (the **Base Prospectus**), each of Bank Norwegian AS (**Bank Norwegian**) and Norwegian Finans Holding ASA (**Norwegian Finans Holding**) (each an **Issuer** and together the **Issuers**) may from time to time issue notes (the **Notes** which term shall include, so far as the context permits, VPS Notes (as defined below)) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). References in this Base Prospectus to the **relevant Issuer** shall, in relation to each issue of Notes under the Programme, be to whichever of the Issuers is specified as the Issuer in the applicable Final Terms (as defined herein) and, where the term “Notes” is used in this Base Prospectus by reference to the “relevant Issuer”, such term shall, in relation to an Issuer, be construed as being a reference to Notes issued (or to be issued) by such Issuer.

The Notes may be issued in bearer form or in uncertificated book entry form (the **VPS Notes**) settled through the Norwegian Central Securities Depository, *Verdipapirsentralen ASA* (the **VPS**).

As more fully described herein, Notes may be issued (i) on an unsubordinated basis (**Senior Preferred Notes**); or (ii) on a non-preferred basis as provided in “*Terms and Conditions of the Notes other than VPS Notes*” or “*Terms and Conditions of the VPS Notes*”, as the case may be (**Senior Non-Preferred Notes**).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €1,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

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

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

This Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation (as defined below). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuers or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to the Notes which are to be admitted to trading on the regulated market (the **Regulated Market of Euronext Dublin**) of the Irish Stock Exchange plc, trading as Euronext Dublin (**Euronext Dublin**) or another regulated market in the European Economic Area (the **EEA**) or the United Kingdom (the **UK**) for the purposes of Directive 2014/65/EU (as amended) (**MiFID II**) and/or which are to be offered to the public in any Member State of the EEA or the UK in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the **Official List**) and to trading on the Regulated Market of Euronext Dublin. The Issuers have further requested that the Central Bank of Ireland send to the Norwegian Financial Supervisory Authority (*Finanstilsynet*) (the **NFSA**) in its capacity as the competent authority in Norway (i) a copy of this Base Prospectus and (ii) a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation, for purposes of listing Notes on the Oslo Stock Exchange’s Regulated Market.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. For these purposes, reference(s) to the EEA include(s) the United Kingdom. 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

Each of the Regulated Market of Euronext Dublin and the Oslo Stock Exchange’s Regulated Market is a regulated market for the purposes of MiFID II. References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been either admitted (i) to the Official List and to trading on the Regulated Market of Euronext Dublin or (ii) to trading on the Oslo Stock Exchange’s Regulated Market, as may be agreed between the relevant Issuer and the relevant Dealer in relation to the relevant Series (as defined below).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined in “*Terms and Conditions of the Notes other than VPS Notes*” or “*Terms and Conditions of the VPS Notes*”, as the case may be) of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the Central Bank of Ireland and Euronext Dublin (if listed on Euronext Dublin). Copies of the Final Terms in relation to the Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin.

Bank Norwegian AS is rated “BBB/A-2” by S&P Global Ratings Europe Limited (**S&P**). Norwegian Finans Holding ASA is not rated. S&P is established in the European Union (**EU**) and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) and is included in the list of credit rating agencies registered under the CRA Regulation, which is available on the European Securities and Markets Authority (**ESMA**) website (<http://www.esma.europa.eu/page/list-registered-and-certified-CRAs>) (last updated on 14 November 2019).

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

Nordea

Dealers

**Danske Bank
Nordea**

**DNB Bank
SEB**

Swedbank

The date of this Base Prospectus is 2 July 2020

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, **Prospectus Regulation** means Regulation (EU) 2017/1129.

Each Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of each Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by either of the Issuers in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by either of the Issuers in connection with the Programme.

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

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

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

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

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

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering, sale and/or transfer of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including, for these purposes, the UK and Norway) and Japan, see “*Subscription and Sale*”.

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

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

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

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

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

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

Interest and/or other amounts payable under Floating Rate Notes (as described in “*Terms and Conditions of the Notes other than VPS Notes – Interest*” and “*Terms and Conditions of the VPS Notes – Interest*”) may, if so specified in the applicable Final Terms, be calculated by reference to certain reference rates (as set out in the applicable Final Terms). Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuers do not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator.

IMPORTANT – MIFID II PRODUCT GOVERNANCE/TARGET MARKET

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

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

IMPORTANT – EEA AND UK RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (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 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 Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

PRESENTATION OF INFORMATION

In this Base Prospectus, all references to **U.S. dollars**, **U.S.\$** and **\$** refer to United States dollars, **DKK** and **DKR** refer to Danish Kroner, **NKR**, **NKr** or **NOK** refer to Norwegian Kroner, **SEK** refer to Swedish Krona, **GBP**, **Sterling** and **£** refer to pounds sterling, **yen** refer to Japanese Yen, and **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Certain information in this Base Prospectus has been sourced from third parties. Where third party information has been so sourced, the source is stated where it appears in this Base Prospectus. Each Issuer confirms that it has accurately reproduced such information and that, so far as it is aware and is able to ascertain from information published by third parties, it has omitted no facts which would render the reproduced information inaccurate or misleading.

STABILISATION

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

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Overview of the Programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event a new Base Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

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

Issuers:	Bank Norwegian AS Norwegian Finans Holding ASA
Issuers’ Legal Entity Identifier (LEI):	Bank Norwegian AS: 5967007LIEEXZX6ZCW47 Norwegian Finans Holding ASA: 5967007LIEEXZX70WG48
Risk Factors:	There are certain factors that may affect the relevant Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “ <i>Risk Factors</i> ” below.
Description:	Euro Medium Term Note Programme
Arranger:	Nordea Bank Abp
Dealers:	Danske Bank A/S DNB Bank ASA Nordea Bank Abp Skandinaviska Enskilda Banken AB (publ) Swedbank AB (publ) and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Base Prospectus. Notes having a maturity of less than one year Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “ <i>Subscription and Sale</i> ”.
Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch

VPS Agent:	DNB Bank ASA
VPS Trustee:	Nordic Trustee AS
Programme Size:	Up to €1,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in euro, Danish Kroner, Norwegian Kroner, Swedish Krona, U.S. dollars, yen and any other currency agreed between the relevant Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	<p>The Notes will be issued in bearer form or, in the case of VPS Notes, uncertificated book entry form, as specified in the applicable Final Terms.</p> <p>Each Note (other than VPS Notes) will on issue be represented by either a Temporary Global Note which will be exchangeable for a Permanent Global Note or, if so specified in the applicable Final Terms, by a Permanent Global Note which will be exchangeable for Definitive Notes.</p> <p>VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with the VPS. VPS Notes will not be exchangeable for bearer Notes and <i>vice versa</i>. See “<i>Form of the Notes</i>” below.</p>
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of the Reference Rate set out in the applicable Final Terms, subject as provided in Condition 4.2(d) of the Terms and Conditions of the Notes other than VPS Notes and Condition 4(b)(iv) of the Terms and Conditions of the VPS Notes. <p>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of</p>

	<p>Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.</p>
Zero Coupon Notes:	<p>Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.</p>
Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or (in the case of Senior Preferred Notes which are not Restricted Senior Preferred Notes) the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices as may be agreed between the relevant Issuer and the relevant Dealer.</p> <p>Where the applicable Final Terms specify that Condition 6.4 of the Terms and Conditions of the Notes other than VPS Notes or Condition 6(d) of the Terms and Conditions of the VPS Notes applies, if a MREL Disqualification Event occurs, the relevant Issuer shall be entitled to redeem the Senior Preferred Notes or the Senior Non-Preferred Notes, as the case may be (subject, in the case of the Restricted Senior Preferred Notes and the Senior Non-Preferred Notes, if applicable, to the prior permission of the Relevant Regulator).</p> <p>No early redemption of Restricted Senior Preferred Notes or Senior Non-Preferred Notes may take place without the prior written permission of the Relevant Regulator (if and to the extent such permission is required).</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “<i>Certain Restrictions - Notes having a maturity of less than one year</i>” above.</p>
Denomination of Notes:	<p>The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “<i>Certain Restrictions - Notes having a maturity of less than one year</i>” above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p>
Taxation:	<p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction unless such withholding or deduction is required by law, as provided in Condition 7 of the Terms and Conditions of the Notes other than VPS Notes and Condition 7 of the Terms and Conditions of the VPS Notes. In the event that any such deduction is made, the relevant Issuer will, save in certain limited circumstances provided in Condition 7 of the Terms and Conditions of the Notes other than VPS Notes and Condition 7 of the Terms and Conditions of the VPS Notes, be required to pay additional amounts to cover the amounts so</p>

	deducted.
	In case of (i) Senior Preferred Notes where Restricted Gross-Up Senior Preferred Notes is specified as being applicable in the applicable Final Terms; and (ii) Senior Non-Preferred Notes, the obligation to pay additional amounts under Condition 7.1 of the Terms and Conditions of the Notes other than VPS Notes and Condition 7(a) of the Terms and Conditions of the VPS Notes will be limited to payments of interest.
Cross-Acceleration and Cross-Default:	<p>The terms of Senior Preferred Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms will contain a cross-acceleration provision and a cross-default provision as further described in Condition 9 of the Terms and Conditions of the Notes other than VPS Notes and Condition 9 of the Terms and Conditions of the VPS Notes.</p> <p>The Senior Non-Preferred Notes and the Senior Preferred Notes (unless Unrestricted Events of Default is specified as being applicable in the applicable Final Terms) have limited events of default and do not contain a cross-default or cross-acceleration provision.</p>
Negative Pledge:	The terms of the Notes will not contain a negative pledge provision.
Status of the Senior Preferred Notes:	The Senior Preferred Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured obligations of the relevant Issuer, present and future, from time to time outstanding.
Status of the Senior Non-Preferred Notes:	<p>The Senior Non-Preferred Notes constitute direct, unconditional and unsecured obligations of the relevant Issuer, and will at all times rank <i>pari passu</i> without any preference among themselves.</p> <p>Subject as set out in the paragraph below, in the event of a liquidation, dissolution or winding-up of the relevant Issuer by way of public administration (except, in any such case, a solvent liquidation, dissolution, or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the relevant Issuer, the terms of which reorganisation, reconstruction or amalgamation have previously been approved by (in the case of Senior Non-Preferred Notes other than Senior Non-Preferred VPS Notes) an Extraordinary Resolution (as defined in the Agency Agreement) of the holders of the Senior Non-Preferred Notes or (in the case of Senior Non-Preferred VPS Notes) approved by a VPS Noteholders Meeting (as defined in the relevant VPS Trustee Agreement) of the holders of the Senior Non-Preferred VPS Notes and do not provide that the Senior Non-Preferred Notes thereby become redeemable or repayable), claims of the Noteholders against the relevant Issuer in respect of or arising under the Senior Non-Preferred Notes (including any amounts attributable to the Senior Non-Preferred Notes and any damages awarded for breach of any obligations thereunder) shall rank:</p> <ol style="list-style-type: none"> (a) <i>pari passu</i> without any preference among themselves; (b) <i>pari passu</i> with claims in respect of Non-Preferred Parity Securities and Statutory Non-Preferred Claims, if any; (c) in priority to claims in respect of Non-Preferred Junior Securities; and (d) junior to any present or future claims of Senior Creditors. <p>At any time after the Creditor Hierarchy Directive has been implemented in Norway, the relevant Issuer may (but is not obliged</p>

	<p>to), by providing notice (the Ranking Notice) to the Noteholders in accordance with Condition 14 of the Terms and Conditions of the Notes other than VPS Notes or Condition 12 of the Terms and Conditions of the VPS Notes, as applicable, specify that (subject to the laws of Norway) the Senior Non-Preferred Notes (together with any other outstanding Series of Senior Non-Preferred Notes) shall rank within the class of unsecured debt instruments of the relevant Issuer having the lower priority ranking contemplated by Article 108(2) of the BRRD, as set out in the Creditor Hierarchy Directive with effect from the date specified in the Ranking Notice (for the avoidance of doubt, should there be any inconsistency between any statutory ranking which may be introduced in Norway in order to implement the provisions of Article 108(2) of the BRRD, if any, and the ranking as set out in in the paragraph above, such statutory ranking shall prevail).</p> <p>See Condition 3 of the Terms and Conditions of the Notes other than VPS Notes and Condition 3 of the Terms and Conditions of the VPS Notes.</p>
No right of set-off or counterclaim:	<p>In the case of (i) Senior Preferred Notes (where the applicable Final Terms specify that No Right of Set-Off or Counterclaim is applicable); and (ii) Senior Non-Preferred Notes, no Noteholder who becomes indebted to the relevant Issuer shall, in the event of a liquidation, dissolution or winding-up of the relevant Issuer by way of public administration, be entitled to exercise any right of set-off or counterclaim against moneys owed by the relevant Issuer in respect of the Notes held by such Noteholder.</p>
Substitution or Variation:	<p>Where the applicable Final Terms specify that Condition 6.11 of the Terms and Conditions of the Notes other than VPS Notes or Condition 6(k) of the Terms and Conditions of the VPS Notes, as applicable applies, if at any time a MREL Disqualification Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 19 of the Terms and Conditions of the Notes other than VPS Notes or Condition 18 of the Terms and Conditions of the VPS Notes, as applicable, the relevant Issuer may, subject to the provisions of Condition 6.11 of the Terms and Conditions of the Notes other than VPS Notes or Condition 6(k) of the Terms and Conditions of the VPS Notes, as applicable (if applicable and to the extent so required), either substitute all (but not some only) of the Senior Preferred Notes or Senior Non-Preferred Notes (as the case may be) for, or vary their terms so that they remain or, as appropriate, become, Qualifying MREL Securities (as defined in Condition 20 of the Terms and Conditions of the Notes other than VPS Notes or Condition 19 of the Terms and Conditions of the VPS Notes, as applicable), as further provided in Condition 6.11 of the Terms and Conditions of the Notes other than VPS Notes or Condition 6(k) of the Terms and Conditions of the VPS Notes, as applicable.</p>
Rating:	<p>Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
Listing:	<p>Application has been made for Notes issued under the Programme to be listed on Euronext Dublin.</p> <p>Notes may be admitted to trading on either the Regulated Market of Euronext Dublin or the Oslo Stock Exchange's Regulated Market, as may be agreed between the relevant Issuer and the relevant Dealer in</p>

Governing Law:	<p>relation to the relevant Series.</p> <p>The applicable Final Terms will state the relevant regulated market(s).</p> <p>The Notes other than the VPS Notes and all non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law, save for Conditions 2 and 3 of the Terms and Conditions of the Notes other than VPS Notes and all non-contractual obligations arising out of or in connection with such conditions which will be governed by, and construed in accordance with, Norwegian law.</p> <p>VPS Notes and all non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law, save for Conditions 2, 3, 11, 12, 13, 14, and 15 of the Terms and Conditions of the VPS Notes and all non-contractual obligations arising out of or in connection with such conditions which will be governed by, and construed in accordance with, Norwegian law.</p> <p>The VPS Notes must comply with the Norwegian Act of 15 March 2019 no. 64 on Central Securities Depositories (the “CSD Act”) (Nw. <i>verdipapirsentralloven</i>), which implements Regulation (EU) No. 909/2014 into Norwegian law, and, to the extent applicable the Norwegian Act on Registration of Financial Instruments of 5 July 2002 no. 64, as amended from time to time, and the holders of VPS Notes will be entitled to the rights and subject to the obligations and liabilities which arise under these Acts and any related regulations and legislation.</p>
Selling Restrictions:	<p>There are restrictions on the distribution of this Base Prospectus and the offer, sale and/or transfer of the Notes in the United States, the EEA (including, for these purposes, the United Kingdom and Norway) and Japan. Further restrictions may be required in connection with any particular Tranche of Notes. See “<i>Subscription and Sale</i>”.</p>
United States Selling Restrictions:	<p>Regulation S, Category 2. In the case of Notes other than VPS Notes, TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.</p>

Risk Factors

The Issuers believe that the following factors may affect the relevant Issuer's ability to fulfil its obligations under the Notes issued under the Programme. The Issuers have identified in this Base Prospectus a number of factors which could materially adversely affect their business and ability to make payments under the Notes. In addition, factors which the Issuers believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuers believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuers may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuers based on information currently available to them and which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this section.

1. RISKS RELATING TO THE ISSUERS

A. RISKS RELATING TO THE ISSUERS' BUSINESS AND OPERATIONS

Credit risk related to unsecured consumer lending and defaults

The business of the Group (as defined in the Terms and Conditions of the Notes other than VPS Notes) primarily consists of unsecured consumer lending and issuance of credit cards to consumers in the Nordic countries through Bank Norwegian. Consequently, credit risk is a predominant factor and a core risk in the Group's business as there is a risk that some debtors will not be able to repay the credit in full and on time due to unexpected variation in such debtors' ability to meet their payment obligations towards Bank Norwegian. The credit risk may be materialised if Bank Norwegian's current and future debtors end up in a financial situation where they cannot pay amounts owed to Bank Norwegian as they fall due, or otherwise abstain from fulfilling their obligations.

Such adverse changes in the credit quality of Bank Norwegian's debtors may for instance be a result of general deterioration in the Norwegian, Nordic, European or global economic conditions. Also, higher levels of unemployment, for example, may lead to reduced or deferred levels of spending, with adverse impact on fees and commissions received on credit card transactions and demand for unsecured lending. Higher unemployment rates and decreasing income among Bank Norwegian's customers both through job losses and lower pressure in the overall employment market can also have a negative impact on the Group's results, including through an increase in arrears, forbearance, impairment provisions and defaults. Consequently, sustained high levels of unemployment could have a material adverse impact on the Issuer's business, financial condition, results of operations and/or prospects.

In the event of debtors' default, Bank Norwegian has to take measures to collect the loans which is costly and might be unsuccessful. If a significant portion of Bank Norwegian's debtors are not able to fulfil their obligations and do not have sufficient unencumbered assets available to finance a repayment of their obligation to Bank Norwegian, the Group's results of operations and financial position could be materially adversely affected.

Loan losses may occur at a rate higher than experienced in the past due to the prevailing market conditions. The substantial fall in oil prices in the second quarter of 2020 combined with the COVID-19 pandemic and the measures implemented by several authorities to contain it, is expected to have a material and adverse impact on the level of economic activity in the Nordics and the rest of the world, and may lead to a sudden loss of income for many of Bank Norwegian's borrowers. At present it is unclear to what extent the measures taken by the governments to mitigate the adverse economic effects of the COVID-19 outbreak will have the intended effects.

If interest rates payable by borrowers should increase and/or the borrowers suffer a decline in or loss of income, the borrowers may be unable to meet their payment obligations on their loans, which may lead to increased defaults as well as write-downs and losses for the Issuers in relation to such loans. This may in turn adversely affect the Group's ability to perform their obligations under the Notes.

Potential reduction in demand for the Group's main business segments

The Group derives its revenue almost entirely from unsecured personal loans and credit cards granted through Bank Norwegian. Compared to banks with a more diversified product portfolio, the Group may be more exposed to adverse changes in macroeconomic conditions or other factors affecting the personal loan and credit

card market. According to the Group's consolidated interim report for the period 1 January 2020 to 31 March 2020, a significant share of the Group's interest income is generated through Bank Norwegian's consumer instalment loan product (approximately 70 per cent.), while the remainder is generated by Bank Norwegian's credit cards (approximately 30 per cent.).

The demand for the products Bank Norwegian offers may be reduced due to a variety of factors. High levels of unemployment in the markets in which Bank Norwegian operates, such as the current rise in of unemployment due to COVID-19 measures, will likely reduce the number of customers who qualify for consumer loan or credit cards, which in turn may reduce the Group's revenues. Similarly, reduced consumer confidence and spending may decrease the demand for Bank Norwegian's consumer loan and credit cards as well as the amount of money consumers are able or willing to deposit in savings deposit accounts maintained by Bank Norwegian which in turn would affect the Group's liquidity rates, which could materially adversely affect the business prospects and financial condition of the Group.

Bank Norwegian experienced a negative growth in demand for credit cards in the interim period from 1 January 2020 to 31 March 2020. This is mainly due to lower spending related to COVID-19. There is a risk that the demand for credit cards will continue to decrease, especially as a result of long-term effects from the measures against COVID-19 and adverse effect they have on the level of economic activity, consumer spending and finances. In addition, there may be a decreased appetite for using Bank Norwegian's credit cards to collect Cashpoints under the Norwegian Reward programme due to the travel bans affecting airlines in general which may stay in place fully or partially for a long period. The recent restructuring of the financing of Norwegian Air Shuttle may also have decreased demand for Norwegian Cashpoints specifically. This would affect the Group's profitability, which could materially adversely affect the business prospects and financial condition of the Group.

The outbreak of COVID-19 had an adverse impact on the Group, and may further adversely impact the Group.

The outbreak of the coronavirus, COVID-19, has had a significant impact on global macroeconomic conditions and financial markets and the economic environments in which the Group operates, including in the Nordics. The number of reported cases of COVID-19 worldwide, as well as the number of reported deaths as a consequence of COVID-19 worldwide, significantly exceed those observed during the SARS epidemic that occurred from November 2002 to July 2003. In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Given the ongoing and dynamic nature of the consequences of the COVID-19 pandemic and the government measures implemented to counter or limit the adverse impact of the outbreak, it is not possible at this time accurately to assess the ultimate impact of the outbreak for the world economy, the Nordic economies and/or the Group.

The impact to date has included significant volatility in financial and commodities markets and it is likely that global GDP will contract for 2020 in response to the economic slowdown caused by the spread of COVID-19. At present, it is difficult to ascertain how long the outbreak of COVID-19 may last or how severe it may become and, consequently, the full impact that COVID-19 will have on the global economy, the Nordic economies and/or the Group's operations or its prospects. Further, the outbreak and the present volatile situation means that the estimates provided in this Base Prospectus are even more uncertain than in a normal situation, and some estimates and projections from other sources than those referred to in this prospectus are more negative.

If the outbreak of COVID-19 and the measures intended to contain the outbreak continues for a prolonged period or if stricter measures are implemented in the future, global macroeconomic conditions could worsen even further and the global economy may experience a significant slowdown in its growth rate or may decline. Volatility in global financial and commodities markets may also remain elevated. This volatility, if it continues, could have a material adverse effect on the Group's customers and on the Group's business, financial condition and results of operations.

Measures implemented by governmental authorities across the world to contain the outbreak of COVID-19, such as school and university closings, business closings, travel restrictions, border controls, bans on public gatherings and other measures to discourage or prohibit the movement and gathering of people, are expected to have a material and adverse impact on the level of economic activity in the Nordic countries and in other countries in which the Group may plan to operate in the future. The restrictions are being determined by the governments of individual jurisdictions (including through the implementation of emergency powers) and impacts (including the timing of implementation, any subsequent lifting of restrictions and tightening of restrictions) may vary from jurisdiction to jurisdiction.

The outbreak and the restrictions to contain the outbreak will impact the Group's operations in a number of ways, such as volatility in the financial markets in which it operates, affecting the operations of the Group's

counterparties, who may as a result default on their obligations due to the Group (such as repayments) and affect the Group's ability to conduct its business. As a result of the foregoing factors, the outbreak of COVID-19 or any other contagious diseases may have a material adverse effect on the Group's business, loan portfolio, financial condition (including capital and liquidity) and results of operations.

See also "Credit risk related to unsecured consumer lending and defaults" and "Potential reduction in demand for the Group's main business segments".

Possible change of domicile could increase operational and financial risk.

During the last year the Group has been in introductory discussions with the Central Bank of Ireland regarding a possible move of the Group's headquarters to Ireland. As announced by the Group on 26 June 2020, such introductory discussions have been completed and the Central Bank of Ireland has recommended that the Group does not advance to the draft application phase at this point in time. No final decision regarding re-domiciliation has been made at the time of this Base Prospectus. However, if the Group should decide to re-domicile, this may increase the Group's operational risk both during and after the implementation of the re-domiciliation and initiation of operations from Ireland. In particular, a change of domicile will necessitate organizational changes, especially relating to recruitment, relocation of employees and increased travel among existing employees, which may lead to a loss of focus and competence in the organization. If, for a transitional period following such re-domiciliation, the Group becomes subject to financial regulations and regulatory oversight in Norway and/or Ireland, a loss of key personnel could have a material adverse effect on the Group's ability to comply with its various regulatory requirements in both jurisdictions. Over time, a re-domiciliation may also lead to a decrease in focus and a dilution of the corporate culture due to geographical distance, new employees and increased complexity. In addition, such re-domiciliation would imply an increased financial risk in the form of increased costs, possibly reduced revenues and hence reduced profitability both in the transitional phase and the period following the re-domiciliation.

Risk relating to the digital assessment of customers' creditworthiness

As a purely digital bank, Bank Norwegian offers its loan products only through its digital platform. As a part of this, Bank Norwegian relies on its ability to correctly analyse and score customers' creditworthiness via its automated IT systems. The customer provides the information that is used in the automated assessment and certain input factors are verified by external sources - either by documents forwarded to Bank Norwegian for manual review or information automatically retrieved from external information providers (such as Experian for income and personal financial information and others for real property values). For the most part, the loan applications are determined automatically based on the input from the customer and such third-party verifications, and in accordance with predetermined financial models. There are inherent risks associated with online processing of loan applications and reliance on criteria where the information is provided by the customers, without personal contact. Consequently, the Group is exposed to risks relating to the accuracy and completeness of Bank Norwegian's financial models on which the automated credit decision is based, as well as risks relating to the reliability of the input provided by the customer, which could assign a creditworthiness to customers which is too high, thereby increasing Bank Norwegian's credit risk towards its customers.

Bank Norwegian prices its finance products taking into account the estimated risk level of its customers. However, if its estimates are incorrect, customer default rates may be higher, which will result in an increase in the Group's non-performing loan losses and in turn will cause the Group to experience reduced levels of net income. The calculation method by which Bank Norwegian determines a particular applicant's creditworthiness may differ from the calculations made by other financial institutions offering consumer loans or other similar products.

According to the Group's consolidated interim report for the three month period ended 31 March 2020, gross delinquent notes (stage 3) amount to a gross value of NOK 9 312 million as of the end of the period. As a comparison, delinquent loans to loans (stage 3) amounted to 19.8 per cent. as of 31 March 2020 and 17.3 per cent. as of 31 December 2019. An increase in the ratio of impairments on assets as a result of incorrect assessments of consumer creditworthiness could materially adversely affect the Group's financial, economic and liquidity condition.

A substantial, and increasing, share of the loan documentation (including the loan agreements) of Bank Norwegian's loans are digitally signed by Bank Norwegian's customers. Under Norwegian law, digitally signed documents normally require a court order in order to complete enforced collection of collateral as opposed to paper based loan agreements. In the event of a substantial deterioration in housing or car pricing levels, and an industry-wide increase in defaults and enforced collections under current law, Bank Norwegian is exposed to risk of delay in collection proceedings, which could in turn imply further deterioration in the value of underlying

assets, thus increasing Bank Norwegian's losses on loans, which could in turn have a material adverse effect on the Group's financial condition, results of operations and/or prospects.

Risks relating to operating in a highly competitive market

Bank Norwegian faces high competition in all the countries in which it operates. In some countries, in particular in Norway and Sweden, which are two of Bank Norwegian's core markets, there are well-established and sophisticated competitors, as well as niche banks and companies that are particularly competitive within certain segments of products and services. There is a wide range of companies targeting the market for small consumer loans and credit cards, including various smaller, locally operated companies in addition to larger traditional consumer banks. In addition, Bank Norwegian also competes with other forms of short-term financing such as peer-to-peer lending and credit card providers. This risk is especially pertinent for Bank Norwegian's strategy as a challenger bank in the Norwegian and Nordic financial services markets. Intensive competition may push prices downward in some markets, which could erode profit margins and the Group's net income and could have a material adverse effect on the Group's business prospects, financial condition or results of operations.

Reputational harm, Norwegian brand name and negative public perception in the consumer market

Consumer protection bodies, consumer advocacy groups, certain media reports and a number of regulators and elected officials in the consumer loan markets in which Bank Norwegian conducts business have from time to time advocated government action to prohibit or severely restrict certain types of short-term consumer lending or credit card debt. These efforts have often focused on lenders that target consumers who have short term liquidity needs and, in many cases, low levels of personal savings and incomes, and charge interest rates and fees which, on an annualised basis, are much higher than those charged by credit card issuers or banks to more creditworthy consumers. There is a risk that the Group could be adversely affected by negative publicity associated with other loan, credit card or ecommerce business, both in general or negative publicity specifically associated with its own business or the business of other companies operating in these segments, which are targeted by consumer advocacy groups or regulatory authorities.

The Group bases its operations to a great extent on co-operation with and the trademark of the airline Norwegian Air Shuttle. Norwegian Air Shuttle's good reputation has contributed to strong customer growth, but, on the other hand, the Group may also be vulnerable in the event of a decline in Norwegian Air Shuttle's reputation and/or significant changes to the contractual relationship with Norwegian Air Shuttle (as further described in "*Norwegian Finans Holding ASA and Bank Norwegian - Agreements with Norwegian Air Shuttle*" below).

Risk relating outsourcing agreements

The Group outsources certain parts of its operations, mainly operations considered non-core. Such as services related to system operations, telecommunications, distribution, investment management, payment card issuance and debt collection.

If the debt collectors and/or partners which the Group collaborate with, for any reason, cease to cooperate with the Group and the Group fails to replace partner in a timely fashion and on similar commercial terms, the resulting loss of services could have an adverse effect on the Group's business, earnings and financial position.

Risk of failure or inadequacy in IT systems

The Group relies heavily on the uninterrupted operation of its IT systems for the efficient running of its business and operations, and in order to offer Bank Norwegian's customers an online bank with 24 hours availability. To this end, the Group relies on certain financial infrastructure services that are widely used in the Norwegian financial services market to process payments and transactions, and on a few third-party providers for the supply of important IT services. Despite the contingency plans and facilities that the Group has in place the Group's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports its business, some of which are beyond its control. Changes in regulatory or operational requirements may imply material changes to the Group's current IT systems and could further lead to a change in the systems and solutions provided to it by its third-party providers.

Any failure, inadequacy, interruption or security failure of those systems, or the failure to seamlessly maintain, upgrade or introduce new systems, could harm the Group's ability to effectively operate its business and increase its expenses and harm its reputation. There is a risk that failure of the systems would cause transaction errors and loss of customers as well as sales and business opportunities, and would have negative consequences for the Group, its employees, and those with whom the Group does business which in turn would have a negative effect on the Group's business, financial position and result of operation.

Vulnerability to cyber-attacks, security breaches and leakage of personal data that could harm the Group's business and standing with its customers

The protection of customer and company data, and Bank Norwegian's customers' trust in the Group's ability to protect such information, is of key importance to the Group. The Group relies in part on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as personal identifiable information, personal financial information, payment card data, account transcripts and loan and security data. Despite the security measures in place, the Group's facilities and systems, and those of its third-party service providers, may be vulnerable to cyber-attacks, security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors or other similar events.

If one or more of such events occur, any one of them could potentially jeopardise confidential and other information related to the Group, its counterparties and Bank Norwegian customers. Any security breach involving the misappropriation, loss or other unauthorised disclosure of confidential information or personal data, whether by the Group or its vendors, could damage the Group's reputation, expose it to risk of litigation, increased capital requirements or sanctions from the supervisory authorities and/or otherwise disrupt its operations. The Group may also be required to spend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures. This could in turn have a material adverse effect on the Group's business, financial position, results of operations and/or prospects.

Norwegian Finans Holding is a holding company without any operational assets and operational income.

Norwegian Finans Holding has no significant assets other than the equity interests in its subsidiaries, Bank Norwegian and Lilienthal Finance. As a result, its ability to make required payments under the Notes issued by it depends on the performance of its subsidiaries and their ability to distribute funds to it. Such cash flows will depend on the business and financial conditions of its subsidiaries. Currently only Bank Norwegian has any operations. In addition, the ability of the subsidiaries to pay dividends and distributions may be limited by applicable laws and any contractual obligations those subsidiaries have incurred from time to time. If Norwegian Finans Holding's subsidiaries do not pay any dividends or distributions, or do so irregularly, Norwegian Finans Holding's performance may be adversely affected.

Further, on the liquidation of any of its subsidiaries, Norwegian Finans Holding's right to receive repayment in respect of financing it may have provided to such subsidiary will be structurally subordinated to the claims of other creditors of that subsidiary. In addition, its rights as a creditor would be subordinated to any existing security interest in the assets of such subsidiary. Both scenarios may lead to less proceeds being available to Norwegian Finans Holding to pay interest and principal on its Notes.

B. LEGAL AND REGULATORY RISKS

Dependency on license to conduct banking business

As a conductor of a banking business in the Nordics, Bank Norwegian has obtained the necessary banking license from the Norwegian Financial Supervisory Authority (NFSA). The NFSA conducts full supervision of the Group. The Group is dependent on Bank Norwegian's banking license with the NFSA in order to be allowed to conduct its current business. The licence also provides the Group with reputational benefits and increased levels of consumer confidence, access to pertinent databases to further enhance the Group's current scoring models and funding options linked to Bank Norwegian's ability to accept deposits (guaranteed by a deposit protection program) to support profit growth. However, the banking license may be revoked or restricted by the NFSA for a variety of reasons including, but not limited to, the Group's non-compliance with existing or new regulatory requirements.

The NFSA enforces compliance and can impose sanctions for failure to comply with or properly implement legal requirements. The NFSA also has a wide range of administrative sanctions available to it, including the issuing of public remarks or warnings in connection with a punitive fine and to request removal a board member or managing director of a company. The NFSA can also withdraw a company's license for a variety of reasons including, but not limited to, non-compliance with existing or failure to implement new regulatory requirements.

If the NFSA were to withdraw Bank Norwegian's license for any reason, the business of the Group would be in jeopardy and the Group may also have to cease a majority or all of its current operations. Other administrative sanctions imposed by the NFSA could cause significant reputational risk, which could harm the Group's business, financial condition and results of operations.

Changes in the regulatory framework, including increased regulation of the consumer credit market

The Group is subject to financial services laws, regulations, administrative actions and policies in Norway and the other Nordic countries. Changes in supervision and regulation in Norway, the other Nordic countries and in the European Union (EU)/the EEA could materially affect the Group's business, the products and services offered or the value of its assets. Future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Group.

Households' borrowing in the form of unsecured loans carrying high interest has risen considerably in recent years. Several measures to reduce the growth in consumer lending have already been introduced through industry standards and from Norwegian authorities, including the new restrictions on unsecured consumer loans introduced in early 2019, a new Debt Information Act, amendments to the Norwegian Banks' Guarantee Fund aimed at improving protection of depositors and a recent proposal for a new Financial Contracts Act aiming at improving protection for borrowers in the consumer loan market. Further measures may be taken in the future, e.g., regulatory caps on lending rates to consumers may be implemented in Norway similar to several other jurisdictions. Any such restrictive measures against the consumer credit market could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

Other areas where changes or developments in regulation and/or oversight could have a material adverse impact on the Group include, but are not limited to (i) changes in monetary, interest rate and other policies, (ii) general changes in government and regulatory policies or regimes which may significantly influence investor decisions or increase the costs of doing business in Norway and the Nordic region, (iii) changes in competition and pricing environments, (iv) differentiation among financial institutions with respect to the extension of guarantees to bank deposits and borrowings from customers and the terms attaching to such guarantees, (v) increased financial reporting requirements and (vi) changes in regulations affecting the Group's current structure of operations. Financial regulators responding to future crisis or other concerns may adopt new or additional regulations that impose restrictions or limitations on banks' operations, including, but not limited to, increased capital requirements, disclosure and/or reporting standards or restrictions on certain types of transaction structures.

Risk of legal actions due to regulatory environment and sentiment towards consumer loans

The Group operates in a regulatory environment and business segment that exposes it to potentially significant litigation and regulatory risks caused by requirements of compliance with complex regulations and, at times, negative sentiment towards consumer lending. As a result of the litigation and regulatory risk, the Group may in the future become involved in various disputes and legal, administrative and governmental proceedings in Norway, the other Nordic countries or in other jurisdictions that potentially could expose it to significant losses and liabilities. Such claims, disputes and proceedings are often subject to several uncertainties and their outcomes often difficult to predict, particularly in the earlier stages of a case or an investigation.

Adverse regulatory action or adverse judgments in litigation could result in sanctions of various types, including, but not limited to, fines, damages or other penalties, the invalidation of contracts, or restrictions or limitations on the Group's operations, any of which could have a material adverse effect on the Group's reputation or financial condition. In addition, any determination by the authorities that the Group has not acted in compliance with applicable laws, or any failure to develop effective working relationships with the authorities, could have a significant and negative effect not only on the Group's businesses in the relevant markets but also on its reputation in general. Proceedings relating to the Group's regulated businesses may expose it to increased regulatory scrutiny and oblige it to accept constraints that involve additional costs or otherwise put it at a competitive disadvantage, which will also demand increased resources by the Group's management.

In February 2018, Komplet Bank, Monobank and Ikano Bank filed a law suit against Bank Norwegian, demanding that Bank Norwegian ceases its current marketing practice, whereby Bank Norwegian uses its competitors' trademarks as keywords in search engines, and also to cover all the plaintiffs' costs related to the lawsuit. The Oslo city court issued its verdict of 4 January 2019, ruling that the Issuer's marketing practice was not in conflict with the Norwegian Marketing Act section 25, and Bank Norwegian was accordingly acquitted.

The case has been appealed to the Borgarting Court of Appeal (*Borgarting Lagmannsrett*) and is scheduled to be heard in March 2021. In the event that Bank Norwegian loses the case on appeal, any changes in Bank Norwegian's current marketing practice as a result thereof may lead to higher customer acquisition costs and potential reduced sales for Bank Norwegian.

Further, the Group cannot guarantee that there will be no further claims or legal actions in the future (including regulations) against the Group which may affect or could significantly adversely affect the Group's financial position, earnings or market position.

Data protection and privacy laws

The Group uses large quantities of personal data in a way that is of commercial use to the Group, for example to determine a potential applicant's credit profile. However, the Group's ability to collect and use personal data is however affected by the requirements of Regulation (EU) 2016/679 (the General Data Protection Regulation, **GDPR**) and other privacy laws. The Group has previously incurred, and may in the future continue to incur, substantial costs in relation to the implementation of a new system for personal data processing and actions needed to ensure compliance with the GDPR. The Group considers compliance with the GDPR to be important as a breach could result in fines amounting to a maximum of EUR 20,000,000 or 4 per cent. of the Group's global turnover (whichever is higher). If the Group fails to comply with the GDPR this may have a material adverse impact on the Group's business and financial position. Breach of data privacy legislation could also result in the Group being subjected to claims from its customers that it has infringed their privacy rights. In addition, any inquiries made, or proceedings initiated by, regulators could lead to negative publicity in addition to potential liability for the Group, which could materially adversely affect its reputation and business.

Risk related to money laundering activities and identity fraud

In general, the risk that banks will be subjected to, or used for, money laundering and identity fraud has increased worldwide and the risk of future incidents in relation to money laundering and identity fraud always exists for financial institutions. In particular, as a pure digital bank, the Group relies on third-party providers (for example BankID issuers) and automated processes to perform identity checks of new customers which may increase this risk. Any violation of anti-money laundering rules, or even the suggestion of violations, may have severe legal and reputational consequences for the Group and may, as a result, adversely affect the Group's business and/or prospects.

During the last decade, many governments, including in the Nordics, have intensified their monitoring of financial institutions, which has led to a number of administrative sanctions for such institutions.

The requirements of the regulatory frameworks are detailed and demand substantial resources, internal routines and guidelines from the Group. There is a risk that the Group's procedures, internal control functions and guidelines to counteract money laundering and terrorist financing are not sufficient or adequate to ensure that the Group complies with the regulatory framework. This may result from, for example, insufficient procedures, internal control functions or guidelines, or errors by employees, suppliers or counterparties, which may result in a failure to comply with the anti-money laundering regulatory framework. It is further possible that new or amended requirements would require the Group to further adapt its existing practices and procedures.

Failure to comply with the money laundering and terrorist financing regulatory framework is likely to result in legal implications, including remarks or warnings and/or significant administrative fines imposed by the NFSA or other regulatory bodies, which could cause significant and potentially irreparable damage to the reputation of the Group and as a result, the Group's business, financial condition and results of operations could be materially adversely affected.

C. FINANCIAL RISKS

The Group may not have enough liquidity or may not be able to obtain funding on commercially reasonable terms or at all

Due to regulatory requirements, and especially the announced MREL requirements, the Group is dependent on other sources of capital than deposits, such as loans and bonds in the Norwegian and international securities markets. The recent market turmoil caused by the global outbreak of the COVID-19 virus means that it is currently more difficult to obtain such funding on commercially satisfactory terms. If this situation continues for a prolonged period of time it could adversely impact the Group's funding and ability to pay amounts due under the Notes.

Credit ratings affect the costs and other terms upon which the Group is able to obtain funding in the securities market. Any factors having a negative impact on the Group such as a downturn in the international or domestic financial markets, may affect the credit rating of the Issuers, the Programme and/or any outstanding Notes. A credit rating downgrade will not in itself have any impact on the Group's ability to perform their obligations under the Notes, but could, in each case, increase the Group's borrowing costs, adversely affect the liquidity position of the Group, limit the Group's access to the capital markets, undermine confidence in (and the competitive position of) the Group, and/or limit the range of counterparties willing to enter into transactions with the Group. Any of these events may lead to difficulties for the Group in obtaining funding on commercially reasonable terms or at all.

Liquidity risk is defined as the Group not having sufficient funds to cover its obligations when these fall due. A majority of the Group's liquid assets consist of marketable securities, including substantial holdings of certificates and bonds guaranteed by Nordic and other OECD sovereigns. The Group further has a significant stock of deposits in the Central Bank of Norway, Norges Bank. The Group is therefore exposed to market risk involving reduced market value of securities.

The asset side of the Group's business is financed by core deposits from the retail market, bonds and subordinated capital. If access to capital markets funding is constrained for a prolonged period of time, competition for retail deposits and the cost of accessing the capital markets would increase and, therefore, have a material adverse effect on the Group's net interest margin. Funding risks can be exacerbated by enterprise-specific factors, such as over-reliance on a particular source of funding or changes in the Group's credit-worthiness, or by market-wide phenomena, such as market dislocation. There is a risk that the funding structure employed by the Group is inefficient should its funding levels significantly exceed its funding needs, which risks giving rise to increased funding costs that may not be sustainable in the long term.

Failure to manage these or any other risks relating to the cost and availability of funding could adversely affect the Group's ability to maintain or grow its loan portfolio and have an adverse effect on the Group's financial position and results of operations.

Interest rate risk

Interest rates, which are impacted by factors outside of the Group's control, including the fiscal and monetary policies of governments and central banks, as well as Norwegian and international political and economic conditions, affect the Group's results of operations, profitability and return on capital in four principal areas: (i) cost and availability of funding, (ii) interest margins and income, (iii) asset impairment levels and (iv) demand for the Group's lending products.

Firstly, interest rates affect the cost and availability of the principal sources of the Group's funding, including customer deposits (in the form of deposit accounts and savings accounts) and senior preferred or non-preferred unsecured notes. A sustained low interest rate environment keeps the Group's costs of funding low by reducing interest expense. However, lower interest rates also reduce incentives for consumers to save and, therefore, constrain supply of deposits and consequently the Group's ability to fund its lending operations.

Secondly, interest rates, such as the Norwegian Interbank Offered Rate (**NIBOR**), affect the Group's net interest margin and income. The interest rate level is directly related to the Group's external funding and interest bearing securities. Furthermore, while the Group determines its lending and deposit interest rates at its own discretion, the interest rates are inherently and indirectly linked to market rates. Sudden or frequent moves in interest rates may have an adverse effect on the Group's profit due to the value of the Group's assets and liabilities having different interest rate sensitivity. If the Group is unable to manage its exposure to interest rate volatility, whether through product pricing and maintenance of borrower credit or other means, its business, financial condition, results of operations and/or prospects may be adversely affected.

Thirdly, interest rates impact the Group's loan impairment levels and customers' ability to service their debts. For example, an increase in interest rates may lead to an increase in default rates, in turn leading to an increase in impairment charges, loan losses and lower profitability for the Group. Due to the high level of consumer indebtedness in the Nordic region, primarily related to a high amount of real estate mortgage loans, the Group is affected by fluctuations in the housing market and interest rates on mortgage loans in the Nordic countries.

Fourthly, a high interest rate environment may reduce demand for lending products, as individuals are less likely or less able to borrow when interest rates are high, thereby reducing the Group's results of operations.

Currency risk

The Group operates internationally and is therefore subject to unexpected changes in foreign currency exchange rates among various currencies in relating to the Group's accounting currency which is Norwegian Krone (**NOK**). Approximately 17 per cent. of the Group's gross lending balance derives mainly from the Swedish Krona (**SEK**), 14 per cent. from Danish Krone (**DKK**) and 28 per cent. from Euro (**EUR**). Foreign exchange risk arises in connection with current and future commercial transactions, recognised assets and liabilities, and net investments in foreign operations. The Group hedges all currency positions on a periodic basis with the aim of eliminating currency effects, especially the P&L-effects from revaluation of the balance sheet exposures at the balance sheet date. Due to the nature of the exposures and the structure of the process currency mismatches may occur.

The Group also accepts deposits from consumers in order to finance its assets. The Group relies on derivatives in order to adjust liquidity positions per currency between markets where there is a funding need or funding surplus per currency.

The exchange rates between some of the relevant currencies have fluctuated in recent years and the currencies may in the future fluctuate significantly. Currency fluctuations will by nature impact the reported numbers in the accounts, especially balance sheet numbers, while the operating currency is NOK. Consequently, adverse foreign exchange fluctuations of NOK, EUR, SEK and DKK could have a material adverse effect on reported numbers, as well as on the Group's business, financial condition and results of operations.

Revised capital adequacy regulations and an increased level of risk could lead to more onerous capital adequacy requirements

Capital adequacy regulations have imposed significant changes on financial institutions in terms of minimum capital requirements and capital buffers. These capital requirements imposed by public authorities could force the Group to issue additional capital, which may be unavailable to the Group in the future or unavailable at an attractive rate or within the timeframe necessary in order to ensure compliance with such requirements. Failure to comply could lead to administrative sanctions by the NFSA, which may also have a significant effect on the Group's ability to conduct its business and in turn its financial condition and results of operations.

The capital level and capital adequacy ratios of the Group are calculated as a percentage of the sum of (i) credit risk based on risk-weighted assets, (ii) market risk and (iii) operational risk, in accordance with applicable regulatory requirements. The Group's risk-weighted assets consist of on- and off-balance sheet items. The largest of these components are loans and other credit assets held on the balance sheet. All components are weighted according to regulatory standards.

The Group sets its internal capital adequacy ratios targets based on its own assessment of the risk profile of the business, market expectations and regulatory requirements. If market expectations regarding capital levels increase, driven by, for example, the capital levels or targets amongst peer banks, if new regulatory requirements or changes in the Group's strategy are introduced, or in the event of an increase in on- or off-balance sheet items that is not according to the Group's business plan, then the Group may have to increase its capital ratios. Failing to do so, may have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

Negative developments in certain market conditions such as, but not limited to, increased volatility, widening spreads, reduced value of Bank Norwegian's loans, increased interest rates and foreign exchange rates, could lead to a reduction in the Group's capital adequacy. A perceived or actual shortage of capital could have a material adverse effect on the Group's business as a result of deterioration of perceived creditworthiness in the market and hereby possible increase in funding costs or lack of funding. The Group may experience a depletion of its capital resources through increased costs or liabilities incurred as a result of any of the other risk factors described elsewhere in this section.

The Group may also experience an increase in risk-weighted assets and/or an increased demand for capital as a result of revised regulatory requirements or regulatory conditions. By way of example, if new requirements are introduced for the conversion factors to be used when calculating capital requirements for undrawn credit facilities offered by the Group (such as undrawn credit under a credit facility) and other off-balance sheet items, such new requirements may lead to a reduction in the capital ratio of the Group. The same applies if the Norwegian FSA should disagree with the Group's interpretation of the current rules on the conversion factors to be used when calculating the capital requirements for such off-balance sheet items, and require the Group to use other conversion factors which again could lead to a reduction in the capital ratio of the Group. In such situations, the Group may have to increase its capital ratios, which may have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2. RISKS RELATED TO THE NOTES ISSUED UNDER THE PROGRAMME

A. MARKET RISKS

Notes are obligations of the relevant Issuer only

The Notes will constitute obligations of the relevant Issuer only, and the Notes will not be obligations of, or guaranteed by, any other member of the Group or any other person. In particular, Notes issued by Bank Norwegian AS will not be guaranteed by Norwegian Finans Holding ASA, and vice versa. An investment in the Notes involves a reliance on the creditworthiness of the relevant Issuer as well as the Group. In addition, an investment in the Notes involves the risk that subsequent changes in the actual or perceived creditworthiness of the relevant Issuer may adversely affect the market value of the relevant Notes. No liability whatsoever in

respect of any failure by the relevant Issuer to pay any amount due under the Notes shall be accepted by any other member of the Group or any of the Arranger, the Dealers or any other party to the transaction documents relating to the Programme.

Investors' likelihood of receiving payment under the Notes is therefore dependent upon the relevant Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above. In addition, an investment in the Notes involves the risk that subsequent changes in the actual or perceived creditworthiness of the relevant Issuer and/or the Group may adversely affect the market value of the relevant Notes.

Currency exchange rate risk and currency exchange control

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

Exchange rate risks occur for the Issuers if the present value of assets and liabilities, including derivatives, in foreign currencies do not coincide. However, the relevant Issuer may enter into currency derivatives to ensure that the risks do not exceed the limit values approved by its respective board of directors.

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

Interest rate risks relating to increases in interest rates

Investment in Fixed Rate Notes involves the risk that market interest rates subsequently increase above the rate paid on the Notes. There is a risk that an increase of the general interest rate level will have a significant negative effect on the value of the Fixed Rate Notes or Zero Coupon Notes. Floating Rate Notes bear interest at a floating rate plus a margin and the interest rate of the Notes is determined prior to each respective interest period. Whilst the interest rate on Floating Rate Notes is to a certain extent adjusted for changes in the level of the general interest rate, there is a risk that an increase of the general interest rate level may also have a negative effect on the value of the Floating Rate Notes. The general interest rate level is to a high degree affected by conditions in Nordic and international financial markets and is outside the Group's control.

Liquidity risk

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

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuers or the Notes issued under the Programme although the Issuers may also issue unrated Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There is no guarantee that any rating of Bank Norwegian will be maintained by it following the date of this Base Prospectus, that any rating will be assigned to and maintained by Norwegian Finans Holding in the future, or that the credit ratings assigned to an issue of Notes will be the same as the credit ratings assigned to previous issues of Notes. If any rating assigned to either

Issuer is revised lowered, suspended, withdrawn or not maintained by that Issuer, the perception of the Issuers' creditworthiness in the market may be adversely affected. As a result, the market value of the Notes may be reduced, leading to a Noteholder being unable to sell its Notes or receiving a price which is lower than the value of its original investment.

In general, European (including United Kingdom) regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the United Kingdom and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances whilst the registration application is pending). Such general restriction will also apply in the case of credit ratings issued by non-EU and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered or UK-registered credit rating agency or the relevant non-EU and non-UK 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). If the status of the rating agency rating the Notes changes, European (including United Kingdom) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including United Kingdom) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

B. RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes may be subject to loss absorption on any application of the general bail-in tool

Directive 2014/59/EU providing for the establishment of an EU-wide (which for these purposes includes the United Kingdom) framework for the recovery and resolution of credit institutions and investment firms (the **Bank Recovery and Resolution Directive** or **BRRD**) has been implemented in Norway through amendments to Chapter 20 of the Financial Institutions Act which took effect on 1 January 2019. The implementing legislation grants authority to the Financial Supervisory Authority of Norway (**FSAN**) to implement detailed requirements and supplementary regulations in its capacity as resolution authority.

Bank Norwegian AS is a Norwegian bank and accordingly falls within the scope of the BRRD as implemented in Norway. The only bankruptcy, composition, insolvency or administrative procedures to which a bank such as Bank Norwegian AS could be subject under the laws of Norway, are: (i) either resolution pursuant to the tools provided for under the BRRD; or (ii) winding up by way of public administration as further set out in Chapter 20 of the Financial Institutions Act.

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity so as to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the firm to meet its repayment obligations; (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including Notes) to equity or other instruments of ownership (the general bail-in tool), which equity or other instruments could also be subject to any future cancellation, transfer or dilution.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework

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

If Bank Norwegian AS becomes subject to resolution as provided for in the BRRD, the holders of the Notes issued by it may be subject to the application of the general bail-in tool, which may result in such holders losing some or all of their investment. Such application could also involve modifications, including alteration of the principal amount or any interest payable on the Notes, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period, to or the disapplication of provisions in, the Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes, as applicable. As a result, the exercise of any power under the BRRD as implemented in Norway or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Group to satisfy its obligations under any Notes.

Any application of the general bail-in tool under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on holders of Notes will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors.

To the extent any resulting treatment of holders of Notes pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder has a right to compensation under the BRRD based on an independent valuation of the firm (which is referred to as the “no creditor worse off safeguard” under the BRRD). However, any such compensation is unlikely to compensate that holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation as compared to when amounts may otherwise have been due under the Notes.

Under the BRRD, there is a requirement for EU financial institutions to hold certain minimum levels of own funds and other eligible liabilities (MREL) which would be available to be written down or bailed-in in order to facilitate the rescue or resolution of a failing bank. Such requirements came into effect (subject to transitional provisions) in the EU from 1 January 2016. Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016 sets forth regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities.

On 19 December 2018 the Norwegian Ministry of Finance passed and published general Norwegian MREL regulations by way of amendments to the Financial Institutions Regulation of 9 December 2016 (the MREL Rules). Originally, according to the MREL Rules, any MREL requirement determined by the FSAN should be fulfilled with debt instruments that rank junior to ordinary debt instruments issued by the institution after 31 December 2022. On 27 May 2020, the NFSA announced that the deadline for compliance with the MREL requirement has been postponed to 1 January 2024. The MREL Rules are expected to be updated to reflect any changes to the MREL requirement set out in the BRRD or any legislation enacted thereunder.

On 20 December 2019, the FSAN introduced MREL requirements for Norwegian Finans Holding based on the Group’s balance sheets as at 31 December 2018, being, in percentage, 37.135 per cent., and in a nominal amount of adjusted risk-weighted assets, 12,893 million NOK. Bank Norwegian is required to fulfil an equal MREL requirement as Norwegian Finans Holding.

Under current Norwegian law, there is a distinction between (i) instruments that are eligible and qualify for the fulfilment of the MREL requirement and (ii) instruments that may be bailed in (which is a broader concept). For example, instruments with an original maturity or a remaining maturity of less than one year may be bailed-in (but would not count as fulfilling the MREL requirement). Similarly, Senior Preferred Notes (which are not expected to be eligible towards the MREL requirement after 1 January 2024) may be bailed-in. Noteholders should therefore be aware that a broad range of debt instruments may be liable to bail-in and Noteholders may lose all or some of their investment in any Notes that are bailed-in.

The relevant Issuer's obligations under Senior Non-Preferred Notes rank as described in the Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes, as applicable

The relevant Issuer's obligations under Senior Non-Preferred Notes will be unsecured and will rank as further described in Condition 3 of the Terms and Conditions of the Notes other than VPS Notes or in Condition 3 of the Terms and Conditions of the VPS Notes, as applicable. Although Senior Non-Preferred Notes may pay a higher rate of interest than Senior Preferred Notes or other liabilities of the relevant Issuer which rank in priority to Senior Non-Preferred Notes, an investor in Senior Non-Preferred Notes may lose all or some of his investment should the relevant Issuer become insolvent or should Bank Norwegian AS or the relevant Notes become subject to the actions described in the risk factor entitled "*Notes may be subject to loss absorption on any application of the general bail-in tool*" above.

Senior Non-Preferred Notes and certain Senior Preferred Notes: Redemption upon MREL Disqualification Event

The Senior Non-Preferred Notes and certain Senior Preferred Notes are intended to be "eligible liabilities" which are available to meet any MREL Requirement (however called or defined by the Applicable MREL Regulations then applicable) of the relevant Issuer (**MREL Eligible Liabilities**). However, there is uncertainty regarding the final substance of the Applicable MREL Regulations and how those regulations, once enacted, are to be interpreted and applied and the relevant Issuer cannot provide any assurance that such Notes will be (or thereafter remain) MREL Eligible Liabilities. There is therefore a risk that a MREL Disqualification Event may occur.

Where the applicable Final Terms specify that Condition 6.4 of the Terms and Conditions of the Notes other than VPS Notes or Condition 6(d) of the Terms and Conditions of the VPS Notes, as applicable, applies, if a MREL Disqualification Event (as defined in the Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes) occurs, the relevant Issuer may, at its option, but subject to obtaining the prior written permission of the Relevant Regulator (if applicable), on giving not less than minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance Condition 14 of the Terms and Conditions of the Notes other than VPS Notes or Condition 12 of the Terms and Conditions of the VPS Notes, as applicable, the Noteholders (which notice shall be irrevocable), as further provided in Condition 6.4 of the Terms and Conditions of the Notes other than VPS Notes or Condition 6(d) of the Terms and Conditions of the VPS Notes, as applicable, redeem all (but not some only) of the outstanding Notes comprising the relevant Series at the amount specified in the applicable Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

During any period when the relevant Issuer may, or is perceived to be able to, elect to redeem Notes, the market value of such Notes generally will not rise substantially above and may in fact decrease below the price at which they can be redeemed. This may also be true prior to any redemption period.

There can be no assurance that holders of such Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in such Notes, as the case may be.

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

Where the applicable Final Terms specify that Condition 6.11 of the Terms and Conditions of the Notes other than VPS Notes or Condition 6(k) of the Terms and Conditions of the VPS Notes, as applicable, applies, if a MREL Disqualification Event has occurred or in order to ensure the effectiveness and enforceability of Condition 19 of the Terms and Conditions of the Notes other than VPS Notes or Condition 18 of the Terms and Conditions of the VPS Notes, as applicable, the relevant Issuer may, subject to obtaining the prior written permission of the Relevant Regulator (if applicable), substitute all (but not some only) of the Senior Preferred Notes and Senior Non-Preferred Notes or vary the terms of all (but not some only) of the Senior Preferred Notes and Senior Non-Preferred Notes (including changing the governing law of Condition 19 of the Terms and Conditions of the Notes other than VPS Notes or Condition 18 of the Terms and Conditions of the VPS Notes from English law to Norwegian law), without the requirement for the consent or approval of the holders of the Senior Preferred Notes and Senior Non-Preferred Notes, so that they become or remain Qualifying MREL Securities.

The terms and conditions of such substituted or varied Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Notes, provided that the relevant Notes remain or, as appropriate, become, Qualifying MREL Securities, as the case may be, in

accordance with the Terms and Conditions of the Notes other than VPS Notes or the Terms and Conditions of the VPS Notes, as applicable.

While the relevant Issuer cannot otherwise make changes to the terms of Notes that, in its reasonable opinion, are materially less favourable to the holders of the relevant Notes as a class, the governing law of Condition 19 of the Terms and Conditions of the Notes other than VPS Notes or Condition 18 of the Terms and Conditions of the VPS Notes, as applicable, may be changed from English law to Norwegian law in order to ensure the effectiveness and enforceability. No assurance can be given as to whether any of these changes will negatively affect any particular holder. In addition, the tax and stamp duty consequences of holding such substituted or varied Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution or variation.

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

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

Notes issued at a substantial discount or premium

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

There are limited events of default in relation to Senior Non-Preferred Notes and certain Senior Preferred Notes

There are limited events of default in relation to Senior Non-Preferred Notes and Senior Preferred Notes (unless Unrestricted Events of Default is specified as being applicable in the applicable Final Terms), as described in Condition 10 of the Terms and Conditions of the Notes other than VPS Notes or in Condition 10 of the Terms and Conditions of the VPS Notes. Accordingly, the rights of the holders of such Notes are restricted by the limited events of default.

There is no right of set-off or counterclaim in relation to Senior Non-Preferred Notes and certain Senior Preferred Notes

In the case of (i) Senior Preferred Notes where No Right of Set-Off or Counterclaim is specified as being applicable in the applicable Final Terms; and (ii) Senior Non-Preferred Notes, no holder of such Notes or the relative Coupons who becomes, in the event of a liquidation, dissolution or winding-up of the relevant Issuer by way of public administration, indebted to the relevant Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the relevant Issuer in respect of such Notes held by the relevant Noteholder or Couponholder, as the case may be.

Call options are, in certain circumstances, subject to the prior consent of the Relevant Regulator and may limit the market value of the Notes concerned

Any early redemption by the relevant Issuer of Senior Non-Preferred Notes or Restricted Senior Preferred Notes is subject to the prior written permission of the Relevant Regulator (if, and to the extent, then required by the Relevant Regulator and by the Applicable MREL Regulations).

Holders of such Notes should not invest in such Notes in the expectation that such a call will be exercised by the relevant Issuer. The exercise of a call is subject to the relevant Issuer's discretion, and in addition the Relevant Regulator must agree to permit such a call, based upon its evaluation of the regulatory capital position of the relevant Issuer and certain other factors at the relevant time. There can be no assurance that the relevant Issuer will exercise its discretionary right to exercise the call and/or that the Relevant Regulator will permit such a call, if exercised. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period (if applicable).

During any period when the relevant Issuer may, or is perceived to be able to, elect to redeem Notes, the market value of such Notes generally will not rise substantially above and may in fact decrease below the price at which they can be redeemed. This may also be true prior to any redemption period.

There can be no assurance that holders of such Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in such Notes, as the case may be.

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

Interest rates and indices which are deemed to be “benchmarks” (such as a Reference Rate) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Floating Rate Notes linked to or referencing such a “benchmark”.

The Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, includes the UK. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

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

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

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, 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. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, certain benchmarks (including LIBOR, EURIBOR, CIBOR, NIBOR and STIBOR) will continue to be supported going forwards. This may cause certain benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that the Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes, as the case may be, provide for certain fallback arrangements in the event that a Benchmark Event occurs in relation to an Original Reference Rate when any rate of interest (or any component part thereof) remains to be determined by such Original Reference Rate.

If the circumstances described in the preceding paragraph occur and Reference Rate Replacement is specified in the applicable Final Terms as being applicable and Screen Rate Determination is specified in the applicable Final Terms as the manner in which the rate of interest is to be determined (any such Notes, **Relevant Notes**), such fallback arrangements will include the possibility that:

- (a) the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a successor rate or an alternative rate (as applicable) determined by an Independent Adviser or, if the relevant Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by the relevant Issuer fails to make such determination, the relevant Issuer; and
- (b) such successor rate or alternative rate (as applicable) may be adjusted (if required) by the relevant Independent Adviser or the relevant Issuer (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark,

in any such case, acting in good faith and in a commercially reasonable manner as described more fully in the Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes, as applicable to the Relevant Notes.

In addition, the relevant Independent Adviser or the relevant Issuer (as applicable) may also determine (acting in good faith and in a commercially reasonable manner) that other amendments to the Terms and Conditions of the Notes other than VPS Notes or the Terms and Conditions of the VPS Notes, as applicable to the Relevant Notes, are necessary in order to follow market practice in relation to the relevant successor rate or alternative rate (as applicable) and to ensure the proper operation of the relevant successor rate or alternative rate (as applicable).

No consent of the Noteholders shall be required in connection with effecting any relevant successor rate or alternative rate (as applicable) or any other related adjustments and/or amendments described above.

In certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Relevant Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the relevant Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should note that, in the case of Relevant Notes, the Independent Adviser or the relevant Issuer (as applicable) will have discretion to adjust the relevant successor rate or alternative rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

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

In addition, potential investors should note that, in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made if, and to the extent that, in the determination of the relevant Issuer, the same could reasonably be expected:

- (a) to prejudice the qualification of the Notes as MREL Eligible Liabilities; and
- (b) to result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

In all such circumstances, the ultimate fallback for determining the rate of interest (which is described above) will apply.

The gross-up obligation in relation to Senior Non-Preferred Notes and certain Senior Preferred Notes is limited to payments of interest only

The relevant Issuer’s obligation under Condition 7 of the Terms and Conditions of the Notes other than VPS Notes or Condition 7 of the Terms and Conditions of the VPS Notes to pay additional amounts in the event of

any withholding or deduction in respect of taxes on any payments under the terms of (i) Senior Preferred Notes where Restricted Gross-Up Senior Preferred Notes is specified as being applicable in the applicable Final Terms; and (ii) Senior Non-Preferred Notes applies only to payments of interest and not to payments of principal. As such, the relevant Issuer would not be required to pay any additional amounts under the terms of such Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under any such Notes, Noteholders may receive less than the full amount of principal due under such Notes upon redemption, and the market value of such Notes may be adversely affected.

C. RISKS RELATED TO NOTES

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

Meetings of the Noteholders, Modification and Waivers

The Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes other than VPS Notes also provide that the relevant Issuer and the Agent may, without the consent of holders of Notes other than VPS Notes, agree to any modification of the Notes other than VPS Notes, the Coupons or the Agency Agreement which is, in the opinion of the relevant Issuer, of a formal, minor or technical nature or is, in the opinion of the relevant Issuer, 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 holders of Notes other than VPS Notes and the Couponholders as described in Condition 15 of the Terms and Conditions of the Notes other than VPS Notes.

The VPS Trustee Agreements provide that the VPS Trustee may, without providing prior written notice to, or consultation with, the VPS Noteholders, make certain decisions binding on all VPS Noteholders relating to the VPS Conditions, the VPS Agency Agreements and the VPS Trustee Agreements as further detailed in the VPS Conditions and the VPS Trustee Agreements, including amendments which in the opinion of the VPS Trustee are not materially prejudicial to the interests of the VPS Noteholders. The VPS Trustee shall as soon as possible notify the VPS Noteholders of any proposal to make such amendments, setting out the date from which the amendment will be effective, unless such notice obviously is unnecessary.

Withholding Tax Discussion Paper/Potential Issuer Redemption for Tax Reasons

The Norwegian Government has published a discussion paper with a proposal to introduce withholding tax on, inter alia, outbound interest payments.

Pursuant to the proposal, a Norwegian debtor will be liable to withhold 15 per cent. tax on gross interest payments to any creditor who is both (i) a related party to the issuer and (ii) is tax resident in a low-tax jurisdiction. A “related party” is a company or other legal entity which controls, is controlled by, or is under common control with, the issuer. “Control” means the direct or indirect ownership of 50 per cent. or more of the issued share capital or voting rights. Further, a “low-tax jurisdiction” is a jurisdiction in which the effective taxation of the overall profit of the company is less than two thirds of the effective taxation such company would have been subject to if it had been resident in Norway.

If implemented, withholding tax will apply to interest payments to persons in scope of the withholding obligation from 1 January 2021 and the relevant Issuer would be required to gross up such payments in accordance with (but subject to the exceptions set out in) Condition 7 of the Terms and Conditions of the Notes other than VPS Notes and Condition 7 of the Terms and Conditions of the VPS Notes. If the relevant Issuer has or will become obliged to pay additional amounts as provided in Condition 7 of the Terms and Conditions of the Notes other than VPS Notes and Condition 7 of the Terms and Conditions of the VPS Notes, the relevant Issuer may (subject to the conditions set out therein) exercise its right to redeem such Notes at the Early Redemption Amount pursuant to Condition 6.2 of the Terms and Conditions of the Notes other than VPS Notes and Condition 6(b) of the Terms and Conditions of the VPS Notes.

Change of law

The Terms and Conditions of the Notes other than VPS Notes are governed by English law, save for Conditions 2 and 3 of such Conditions which are governed by Norwegian law.

The Terms and Conditions of the VPS Notes are governed by English law, save for Conditions 2, 3, 11, 12, 13, 14 and 15 of such Conditions, which are governed by Norwegian law.

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

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

Documents Incorporated by Reference

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

- (a) the interim unaudited financial statements of Bank Norwegian AS for the quarterly period ended 31 March 2020 (available on the website of Bank Norwegian AS at <https://www.banknorwegian.no/OmOss/InvestorRelations/GetDocument?id=2c883470-1b09-4af5-9ae2-bf458f33f118>), set out on the following pages of Bank Norwegian AS's 2020 quarterly report (the **Bank Quarterly Report 2020**):

Income Statement	p.6
Statement of Comprehensive Income	p.6
Balance Sheet	p.7
Statement of Cash Flows	p.8
Statement of Changes in Equity	p.9
Notes	p.10 – 18 (inclusive)

- (b) the audited financial statements of Bank Norwegian AS for the financial year ended 31 December 2019 together with the independent auditor's report thereon (available on the website of Bank Norwegian AS at <https://www.banknorwegian.no/OmOss/InvestorRelations/GetDocument?id=1d7e6c32-1410-49a5-8751-f73438db71f8>), set out on the following pages of Bank Norwegian AS's 2019 annual report (the **Bank Annual Report 2019**):

Income Statement	p.14
Statement of Comprehensive Income	p.14
Balance Sheet	p.15
Statement of Cash Flows	p.16
Statement of Changes in Equity	p.17
Notes	p.18 – 45 (inclusive)
Auditor's Report	p.47 – 51 (inclusive).

- (c) the audited financial statements of Bank Norwegian AS for the financial year ended 31 December 2018 together with the independent auditor's report thereon (available on the website of Bank Norwegian AS at <https://www.banknorwegian.no/OmOss/InvestorRelations/GetDocument?id=d382e96a-6c85-413c-89e8-a9d7cf5a1581>), set out on the following pages of Bank Norwegian AS's 2018 annual report (the **Bank Annual Report 2018**):

Income Statement	p.8
Statement of Comprehensive Income	p.8
Balance Sheet	p.9
Statement of Cash Flows	p.10
Statement of Changes in Equity	p.11
Notes	p.12 – 45 (inclusive)
Auditor's Report	p.47 – 52 (inclusive)

- (d) the interim unaudited financial statements of Norwegian Finans Holding ASA for the quarterly period ended 31 March 2020 (available on the website of Norwegian Finans Holding ASA at <https://www.banknorwegian.no/OmOss/InvestorRelations/GetDocument?id=ffc0e6d2-4fdc-4b8c-9760-3c6b7c1651e6>), set out on the following pages of Norwegian Finans Holding ASA's 2020 quarterly report (the **Holding Quarterly Report 2020**):

Income Statement	p.20
Statement of Comprehensive Income	p.20

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|--|--------------------------------|-----------------------|
| | Balance Sheet | p.20 |
| | Statement of Cash Flows | p.21 |
| | Statement of Changes in Equity | p.21 |
| | Notes | p.21 – 22 (inclusive) |
- (e) the audited financial statements of Norwegian Finans Holding ASA for the financial year ended 31 December 2019 together with the independent auditor’s report thereon (available on the website of Norwegian Finans Holding ASA at <https://www.banknorwegian.no/OmOss/InvestorRelations/GetDocument?id=746ca847-aace-46bc-b10b-50076122aad8>), set out on the following pages of Norwegian Finans Holding ASA’s 2019 annual report (the **Holding Annual Report 2019**):
- | | | |
|--|-----------------------------------|------------------------|
| | Income Statement | p.84 |
| | Statement of Comprehensive Income | p.84 |
| | Balance Sheet | p.84 |
| | Statement of Cash Flows | p.85 |
| | Statement of Changes in Equity | p.85 |
| | Notes | p.86 – 88 (inclusive) |
| | Auditor’s Report | p.89 – 94 (inclusive). |
- (f) the audited financial statements of Norwegian Finans Holding ASA for the financial year ended 31 December 2018 together with the independent auditor’s report thereon (available on the website of Norwegian Finans Holding ASA at <https://www.banknorwegian.no/OmOss/InvestorRelations/GetDocument?id=a7a26d41-ec9d-463d-9ebd-8d0f0daf37e4>), set out on the following pages of Norwegian Finans Holding ASA’s 2018 annual report (the **Holding Annual Report 2018**):
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|--|-----------------------------------|------------------------|
| | Income Statement | p.84 |
| | Statement of Comprehensive Income | p.84 |
| | Balance Sheet | p.84 |
| | Statement of Cash Flows | p.85 |
| | Statement of Changes in Equity | p.85 |
| | Notes | p.86 – 89 (inclusive) |
| | Auditor’s Report | p.92 – 95 (inclusive). |
- (g) the sections “Terms and Conditions of the Notes other than VPS Notes” and “Terms and Conditions of the VPS Notes” (pages 39 to 84 inclusive) set out in the base prospectus dated 11 April 2019 relating to the Programme (available on the website of Euronext Dublin at https://www.ise.ie/debt_documents/Base%20Prospectus_3f564baf-24e9-45cd-9143-79769318f7a1.pdf); and
- (h) the sections “Terms and Conditions of the Notes other than VPS Notes” and “Terms and Conditions of the VPS Notes” (pages 36 to 74 inclusive) set out in the base prospectus dated 20 April 2018 relating to the Programme (available on the website of Euronext Dublin at https://www.ise.ie/debt_documents/FBaseProspectus_dd2d49c7-bdad-43d7-8cea-9c3d37b81d9b.pdf)

Only the information set out in the cross-reference lists in paragraphs (a) – (h) above is being incorporated by reference into this Base Prospectus. Any other information that is not included in the cross-reference lists above is considered to be additional information to be disclosed to investors rather than information required by the relevant annexes of the Prospectus Regulation and such additional information shall not be incorporated by reference into this Base Prospectus. Any such non-incorporated parts of a document referred to herein are either not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuers and approved by the Central Bank of Ireland 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.

The auditor's reports outlined in paragraphs (b), (c), (e) and (f) above constitute accurate and direct translations of the Norwegian originals.

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

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

Form of the Notes

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

NOTES (OTHER THAN VPS NOTES)

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

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

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

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

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

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

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 of the Terms and Conditions of the Notes other than VPS Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global

Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The exchange upon notice or the exchange at any time upon an Exchange Event should not be expressed to be applicable if the Notes are issued in denominations comprising a minimum Specified Denomination (such as €100,000 (or its equivalent in another currency)) plus one or more higher integral multiples of another smaller amount (such as €1,000 (or its equivalent in another currency)). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

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

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

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

Any Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 or Condition 10 of the Terms and Conditions of the Notes other than VPS Notes, as applicable. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of the deeds of covenant (the **Deeds of Covenant**) dated 2 July 2020 and executed by each of the Issuers.

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

VPS NOTES

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

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

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

GENERAL

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

The relevant Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the VPS Notes, in which event a supplement to the Base Prospectus or a new Base

Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

Applicable Final Terms

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

[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECPS) TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended) (**MiFID II**); *EITHER* [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[,/and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or in the United Kingdom (the **UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, 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 (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.][*Include unless the Final Terms specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”*]

[Date]

[Bank Norwegian AS/Norwegian Finans Holding ASA]

Legal entity identifier (LEI): [[5967007LIEEXZX6ZCW47]/[5967007LIEEXZX70WG48]]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €1,500,000,000
Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions of the Notes other than VPS Notes] [the Terms and Conditions of the VPS Notes] set forth in the base prospectus dated 2 July 2020 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Regulation. When used in these Final Terms, **Prospectus Regulation** means Regulation (EU) 2017/1129. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus is available for viewing at the website of Euronext Dublin at www.ise.ie.

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

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions of the Notes other than VPS Notes] [the Terms and Conditions of the VPS Notes] set forth in the base prospectus dated [11 April 2019]/[20 April 2018] [[and the supplement[s] to it dated [date] [and [date]]] which are incorporated by reference in the base prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation. When used in these Final Terms, **Prospectus Regulation** means Regulation (EU) 2017/1129. This document must be read in conjunction with the base prospectus dated 2 July 2020 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Regulation, in order to obtain all the relevant information. The Base Prospectus is available for viewing at the website of Euronext Dublin at www.ise.ie.

1. Issuer: [Bank Norwegian AS/Norwegian Finans Holding ASA]
2. (a) Series Number: []
 (b) Tranche Number: []
 (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below, which is expected to occur on or about []][Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: []
 (a) Series: []
 (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
6. (a) Specified Denominations: []
 (b) Calculation Amount (Applicable to Notes in definitive form.) []
7. (a) Issue Date: []
 (b) Interest Commencement Date: [][Issue Date][Not Applicable]
8. Maturity Date: []/Interest Payment Date falling in or nearest to []]
9. Interest Basis: [] per cent. Fixed Rate] [] month [[Sterling/Euro/Swiss Franc] LIBOR/EURIBOR/CIBOR/NIBOR/STIBOR] +/- [] per cent. Floating Rate] [Zero Coupon] (see paragraph 15/16/17 below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
11. Change of Interest Basis: [From [Fixed Rate to Floating Rate][Floating Rate to Fixed Rate] with effect from []][Not Applicable]
12. Put/Call Options: [Investor Put] [Issuer Call]

- [(see paragraph 19/20 below)]
13. Status of the Notes: [Senior Preferred/Senior Non-Preferred]
- (a) No Right of Set-Off or Counterclaim: [Applicable/Not Applicable]
(Only relevant for Senior Preferred Notes)
- (b) Regulatory Consent: [Applicable/Not Applicable]
(Only relevant for Senior Preferred Notes)
- (c) Redemption upon occurrence of MREL Disqualification Event and amounts payable on redemption therefor: [Applicable – Condition 6.4 of the Terms and Conditions of the Notes other than VPS Notes applies/Condition 6(d) of the Terms and Conditions of the VPS Notes applies (If applicable, specify the amount payable on redemption following a MREL Disqualification Event)/Not Applicable]
- (d) Substitution or variation: [Applicable – Condition 6.11 of the Terms and Conditions of the Notes other than VPS Notes applies/Condition 6(k) of the Terms and Conditions of the VPS Notes applies/Not Applicable]
- (e) Restricted Gross-Up Senior Preferred Notes: [Applicable/Not Applicable]
(Only relevant for Senior Preferred Notes)
- (f) Unrestricted Events of Default: [Applicable/Not Applicable]
(Only relevant for Senior Preferred Notes)
- (g) [Notice periods for Condition 6.4 of the Terms and Conditions of Notes other than VPS Notes/6(d) of the Terms and Conditions of the VPS Notes:] [Minimum period: [] days]
[Maximum period: [] days]
14. [Date of [Board] approval for issuance of Notes obtained: [] [and [], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year, from and including [], up to and including the Maturity Date
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
- (d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: []
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day

- Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [[] shall be the Calculation Agent][Not Applicable]
- (f) Screen Rate Determination:
- (i) Reference Rate: [] month [[Sterling/Euro/Swiss Franc] LIBOR/EURIBOR/CIBOR/NIBOR/STIBOR]
- (ii) Interest Determination Date(s): []
- (iii) Relevant Screen Page: []
- (iv) Reference Rate Replacement: [Applicable/Not Applicable]
- (g) ISDA Determination:
- (i) Floating Rate Option: []
- (ii) Designated Maturity: []
- (iii) Reset Date: []
- (h) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [] per cent. per annum
- (k) Maximum Rate of Interest: [] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

18. Notice periods for Condition [6.2 of the Terms and Conditions of Notes other than VPS Notes/6(b) of the Terms and Conditions of the VPS Notes]: Minimum period: [] days
Maximum period: [] days
19. Issuer Call: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [[] per Calculation Amount/Sterling Make-

- Whole Redemption Amount/Non-Sterling Make-Whole Redemption Amount/Not Applicable]
- (c) Redemption Margin: [[] per cent./Not Applicable]
- (d) Reference Bond: [[]/ FA Selected Bond/Not Applicable]
- (e) Quotation Time: [[]/Not Applicable]
- (f) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (g) Notice periods: Minimum period: [] days
Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
20. Investor Put: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
- (c) Notice periods: Minimum period: [] days
Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
21. Final Redemption Amount: [] per Calculation Amount
22. Early Redemption Amount payable on redemption for taxation reasons: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event]
- [VPS Notes issued in uncertificated book entry form]

- (b) New Global Note: [Yes] [No]
24. Additional Financial Centre(s): [Not Applicable][]
25. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

THIRD PARTY INFORMATION

[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading. [Not Applicable]

Signed on behalf of [Bank Norwegian AS/Norwegian Finans Holding ASA]:

By:.....
Duly authorised

PART B — OTHER INFORMATION

1. LISTING

- (a) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be [admitted to trading on Euronext Dublin's Regulated Market and listed on the Official List of Euronext Dublin] / [admitted to trading on the Oslo Stock Exchange's Regulated Market] with effect from [].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [Euronext Dublin's Regulated Market and listed on the Official List of Euronext Dublin]/[Oslo Stock Exchange's Regulated Market] with effect from [].]
- (b) Estimate of total expenses related to [] admission to trading:

2. BENCHMARKS REGULATION *(Floating Rate Notes calculated by reference to a benchmark only)*

[Amounts payable under the Notes will be calculated by reference to [*specify benchmark (as this term is defined in the Benchmarks Regulation)*] which is provided by [*legal name of the benchmark administrator*]. As at the date of this Final Terms, [*legal name of the benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011.

[As far as the Issuer is aware, [*specify benchmark (as this term is defined in the Benchmarks Regulation)*] [does not fall within the scope of Regulation (EU) 2016/1011 by virtue of Article 2 of that regulation/the transitional provisions in Article 51 of Regulation (EU) 2016/1011 apply] such that [*legal name of the benchmark administrator*] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]

3. RATINGS

- Ratings: [The Notes to be issued have not been assigned any ratings solicited by the Issuer]/[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [] by [].
- [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]
- [[Each of] [] is established in the [European Union/UK] and is registered under Regulation (EC) No. 1060/2009 (as amended) and is on the list of registered credit rating agencies published on the ESMA website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial

banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business]

5. YIELD

Indication of yield: []

6. OPERATIONAL INFORMATION

(c) ISIN: []

(d) Common Code: []

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

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

(g) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*] [Verdipapirsentralen, Norway VPS Identification number []] The Issuer shall be entitled to obtain information from the register maintained by the VPS for the purposes of performing its obligations under the VPS Notes]

(h) Names and addresses of additional Paying Agent(s) (if any): [] [Not Applicable]

(i) [Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

7. DISTRIBUTION

(a) Method of distribution: [Syndicated/Non-syndicated]

(b) If syndicated, names of Managers: [Not Applicable/*give names*]

(c) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]

(d) If non-syndicated, name of relevant [Not Applicable/*give name*]

Dealer:

- (e) Whether TEFRA D or TEFRA C [TEFRA D/TEFRA C/TEFRA not applicable] rules applicable or TEFRA rules not applicable:
- (f) Prohibition of sales to EEA and UK [Applicable/Not Applicable] Retail Investors:

8. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (a) Reasons for the offer: See “*Use of Proceeds*” in the Base Prospectus
- (b) Estimated net proceeds: []

Terms and Conditions of the Notes other than VPS Notes

The following are the Terms and Conditions of the Notes other than the VPS Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “*Form of the Notes*” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued pursuant to the Agency Agreement (as defined below) relating to the Euro Medium Term Note Programme maintained by Norwegian Finans Holding ASA and Bank Norwegian AS (together, the **Issuers**).

References herein to the Issuer shall be references to whichever of Norwegian Finans Holding ASA and Bank Norwegian AS is specified as such in the applicable Final Terms (as defined below).

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

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

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 2 July 2020 and made between the Issuers, and Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and any other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

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

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

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

The Noteholders and the Couponholders are entitled to the benefit of, where the Issuer is specified in the applicable Final Terms as being Norwegian Finans Holding ASA, a deed of covenant dated 2 July 2020 made by Norwegian Finans Holding ASA (such deed of covenant as modified and/or supplemented and/or restated from time to time, the **Norwegian Finans Holding ASA Deed of Covenant**) or, where the Issuer is specified in the applicable Final Terms as being Bank Norwegian AS, a deed of covenant dated 2 July 2020 made by Bank Norwegian AS (such deed of covenant as modified and/or supplemented and/or restated from time to time, the **Bank Norwegian AS Deed of Covenant** and, together with the Norwegian Finans Holding ASA Deed of Covenant, the **Deeds of Covenant** and each a **Deed of Covenant**). References in the Conditions to the Deed of Covenant shall be construed as being a reference to the applicable Deed of Covenant made by the Issuer

specified as such in the applicable Final Terms. The original of each Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and each Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on Regulated Market of the Irish Stock Exchange plc, trading as Euronext Dublin (**Euronext Dublin**), the applicable Final Terms will be published on the website of Euronext Dublin at www.isc.ie. If the Notes are to be admitted to trading on any other regulated market in the European Economic Area, the applicable Final Terms will be published in accordance with the rules and regulations of the relevant listing authority or stock exchange and otherwise in accordance with Article 21 of the Prospectus Regulation. When used in the Conditions, **Prospectus Regulation** means Regulation (EU) 2017/1129. For the purposes of the Conditions references to the European Economic Area include the United Kingdom. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the relevant Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

1. FORM, DENOMINATION AND TITLE

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

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

This Note may be a Senior Preferred Note or a Senior Non-Preferred Note, depending upon the Status of the Notes shown in the applicable Final Terms.

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

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

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

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

2. STATUS OF THE SENIOR PREFERRED NOTES

- 2.1 This Condition 2 applies only to Senior Preferred Notes and references to Notes and Coupons in this Condition 2 shall be construed accordingly.

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

2.2 No right of set-off or counterclaim

This Condition 2.2 applies only where No Right of Set-Off or Counterclaim is specified as being applicable in the applicable Final Terms.

No Noteholder who becomes indebted to the Issuer shall, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholder.

3. STATUS OF THE SENIOR NON-PREFERRED NOTES

This Condition 3 applies only to Senior Non-Preferred Notes and references to Notes and Noteholders in this Condition 3 shall be construed accordingly.

- 3.1 The Notes constitute direct, unconditional and unsecured obligations of the Issuer, and will at all times rank *pari passu* without any preference among themselves.

- 3.2 Subject as set out in Condition 3.3 below, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration (except, in any such case, a solvent liquidation, dissolution, or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the Issuer, the terms of which reorganisation, reconstruction or amalgamation have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the holders of the Notes and do not provide that the Notes thereby become redeemable or repayable), claims of the Noteholders against the Issuer in respect of or arising under the Notes (including any amounts attributable to the Notes and any damages awarded for breach of any obligations thereunder) shall rank:

- (a) *pari passu* without any preference among themselves;
- (b) *pari passu* with claims in respect of Non-Preferred Parity Securities and Statutory Non-Preferred Claims, if any;
- (c) in priority to claims in respect of Non-Preferred Junior Securities; and
- (d) junior to any present or future claims of Senior Creditors.

- 3.3 At any time after the Creditor Hierarchy Directive has been implemented in Norway, the Issuer may (but is not obliged to), by providing notice (the **Ranking Notice**) to the Noteholders in accordance with Condition 14, specify that (subject to the laws of Norway) the Notes (together with any other outstanding Series of Senior Non-Preferred Notes) shall rank within the class of unsecured debt instruments of the Issuer having the lower priority ranking contemplated by Article 108(2) of the BRRD, as set out in the Creditor Hierarchy Directive with effect from the date specified in the Ranking Notice (for the avoidance of doubt, should there be any inconsistency between any statutory ranking which may be introduced in Norway in order to implement the provisions of Article 108(2) of the BRRD, if any, and the ranking as set out in Condition 3.2 above, such statutory ranking shall prevail).

3.4 No right of set-off or counterclaim

No Noteholder who becomes indebted to the Issuer shall, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholder.

4. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note will bear 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.

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

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

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

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

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

In the Conditions:

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

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

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

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

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

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

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

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

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

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

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System (as defined below)) specified in the applicable Final Terms;
- (ii) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and

- (iii) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) Rate of Interest

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

(i) *ISDA Determination for Floating Rate Notes*

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

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

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

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

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

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

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

(expressed as a percentage rate per annum) for the Reference Rate (being either the London interbank offered rate (**LIBOR**), the Euro-zone interbank offered rate (**EURIBOR**), the Copenhagen interbank offered rate (**CIBOR**), the Norwegian interbank offered rate (**NIBOR**) or the Stockholm interbank offered rate (**STIBOR**), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 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 Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Condition 4.2(b)(ii)(A) above, no offered quotation appears or, in the case of Condition 4.2(b)(ii)(B) 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 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 by the 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 Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the 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 London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Danish inter-bank market (if the Reference Rate is CIBOR), the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Swedish inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the 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 London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Danish inter-bank market (if the Reference Rate is CIBOR), the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Swedish inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4.2(b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4.2(b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Reference Rate Replacement

If:

- (i) Reference Rate Replacement is specified in the applicable Final Terms and Screen Rate Determination is specified in the applicable Final Terms as being applicable; and
- (ii) notwithstanding the provisions of Condition 4.2(b)(ii), the Issuer (in consultation with the Agent) determines that a Benchmark Event has occurred when any Rate of Interest (or component thereof) remains to be determined by reference to the Reference Rate,

then the following provisions shall apply to the Notes:

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine:
 - (1) a Successor Reference Rate; or
 - (2) if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than fifteen Business Days prior to the Interest

Determination Date relating to the next Interest Period (the **IA Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 4.2(d) during any other future Interest Period(s));

(B) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer fails to determine a Successor Reference Rate or an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine:

- (1) a Successor Reference Rate; or
- (2) if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) no later than twelve Business Days prior to the Interest Determination Date relating to the next Interest Period (the **Issuer Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 4.2(d) during any other future Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

(C) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 4.2(d):

- (1) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4.2(d));
- (2) if the relevant Independent Adviser or the Issuer (as applicable):
 - (x) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4.2(d)); or
 - (y) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4.2(d)); and
- (3) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:
 - (x) changes to the Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (i) the Additional Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Specified Time, Additional Financial Centre(s) and/or Relevant Screen Page applicable to the Notes and (ii) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
 - (y) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation

and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4.2(d)); and

- (4) promptly following the occurrence of a Benchmark Event, the appointment of an Independent Adviser and/or the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof (including, in the case of the appointment of an Independent Adviser, the name and contact details of such Independent Adviser) and of any changes (and the effective date thereof) pursuant to Condition 4.2(d)(ii)(C)(3) to the Agent and the Noteholders in accordance with Condition 14.

No consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 4.2(d) or such other relevant changes pursuant to Condition 4.2(d)(ii)(C)(3), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (if required).

Notwithstanding any other provision of this Condition 4.2(d), the Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4.2(d) which would have the effect of (i) exposing the Agent to any liability or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Agent in the Agency Agreement and/or the Conditions.

Notwithstanding any other provision of this Condition 4.2(d), if in the Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4.2(d), the Agent shall promptly notify the Issuer and/or the Independent Adviser thereof and the Issuer shall direct the Agent in writing as to which alternative course of action to adopt. If the 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 and/or the Independent Adviser (as the case may be) thereof and the Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 4.2(d) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of this Condition 4.2(b)(ii).

Notwithstanding any other provision of this Condition 4.2(d), in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 4.2(d), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected:

- (i) to prejudice the qualification of the Notes as MREL Eligible Liabilities; and
- (ii) to result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

In the Conditions:

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the relevant Independent Adviser or the Issuer (as applicable) determines is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or

- (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

Alternative Reference Rate means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods, or, if such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Reference Rate;

Benchmark Event means:

- (i) the Original Reference Rate ceasing to exist or be published; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor or the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (v) it has become unlawful for the Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4.2(d);

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

Relevant Nominating Body means, in respect of a reference rate:

- (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; 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 such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

Successor Reference Rate means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(e) Determination of Rate of Interest and calculation of Interest Amounts

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

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

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

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

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

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.

(f) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

(g) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified

may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph (g), 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.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

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

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency 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 or Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee 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 the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) 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 7 below) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

5.3 Payments in respect of Global Notes

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

5.4 General provisions applicable to payments

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

Notwithstanding the foregoing provisions of this Condition 5.4, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

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

5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

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

5.6 Interpretation of principal and interest

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

- (a) the Final Redemption Amount of the Notes;
- (b) the Early Redemption Amount of the Notes;
- (c) the Optional Redemption Amount(s) (if any) of the Notes;
- (d) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.6); and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below or (if applicable, pursuant to Condition 6.11) substituted, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption for tax reasons

Subject, if applicable, to the provisions of Condition 6.10, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on an Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Agent and in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment date due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measure 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 Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Issuer Call is specified as being applicable in the applicable Final Terms, subject, if applicable, to the provisions of Condition 6.10, the Issuer may, having given not less than the minimum period of notice nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

If **Sterling Make-Whole Redemption Amount** is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the principal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer by the Financial Adviser, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Financial Adviser.

If **Non-Sterling Make-Whole Redemption Amount** is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount calculated by the Agent equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 6.3:

FA Selected Bond means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

Financial Adviser means a financial adviser selected by the Issuer;

Gross Redemption Yield means, in respect of a security, the gross redemption yield for such security, expressed as a percentage and calculated by the Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper Formulae for Calculating Gilt Prices from Yields page 5, Section One: Price/Yield Formulae Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date (published 08/06/1998 and updated on 15/01/2002 and 16/03/2005 (as amended and supplemented from time to time)) on a semi-annual

compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Issuer may approve;

Redemption Margin shall be as set out in the applicable Final Terms;

Reference Bond shall be as set out in the applicable Final Terms or shall be the FA Selected Bond;

Reference Bond Price means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

Reference Date will be set out in the relevant notice of redemption;

Reference Government Bond Dealer means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Agent by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.3, by the Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 below not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 below at least 5 days prior to the Selection Date.

6.4 Redemption upon MREL Disqualification Event

This Condition 6.4 applies only to Senior Preferred Notes and Senior Non-Preferred Notes, in each case, only where this Condition 6.4 is specified as being applicable in the applicable Final Terms and references to Notes and Noteholders in this Condition 6.4 shall be construed accordingly.

Subject, if applicable, to the provisions of Condition 6.10, the Notes may be redeemed at the option of the Issuer, in whole, but not in part, at any time (in the case of all Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms

to the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable) if a MREL Disqualification Event has occurred.

Prior to the publication of any notice of redemption pursuant to this Condition 6.4, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders 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 a MREL Disqualification Event has occurred.

Notes redeemed pursuant to this Condition 6.4 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.5 Redemption at the option of the Noteholders (Investor Put)

This Condition 6.5 is only applicable to Senior Preferred Notes which are not Restricted Senior Preferred Notes and references to Notes in this Condition 6.5 shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 below not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6.5 accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

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

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.5 shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9 or Condition 10 (as applicable).

6.6 Early Redemption Amounts

For the purpose of Condition 6.2, Condition 6.4, Condition 9 and Condition 10:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

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

6.7 Purchases

Subject, if applicable, to the provisions of Condition 6.10, the Issuer or any subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

6.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6.7 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3 or 6.5 above or upon its becoming due and repayable as provided in Condition 9 or Condition 10, as the case may be, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.6(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6.10 Regulatory Consent

This Condition 6.10 applies to Senior Preferred Notes where Regulatory Consent is specified as being applicable in the applicable Final Terms (**Restricted Senior Preferred Notes**) and Senior Non-Preferred Notes.

In the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes, no early redemption in any circumstances, purchase under Condition 6.7 or substitution or variation under Condition 6.11 shall take place without the prior written permission of the Relevant Regulator (in each case, if, and to the extent, then required by the Relevant Regulator and by the Applicable MREL Regulations). For the avoidance of doubt, redemption of Senior Preferred Notes or Senior Non-Preferred Notes under Condition 6.1 or repayment pursuant to Condition 9 or Condition 10, as the case may be, shall not require the consent of the Relevant Regulator.

6.11 Substitution or Variation

This Condition 6.11 applies only where it is specified as being applicable in the applicable Final Terms and references to **Notes** and **Noteholders** in this Condition 6.11 shall be construed accordingly.

If at any time a MREL Disqualification Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 19, the Issuer may, subject to the provisions of Condition 6.10 (without any requirement for the consent or approval of the Noteholders) on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes (including changing the governing law of Condition 19, from English law to Norwegian law) so that they remain or, as appropriate, become, Qualifying MREL Securities (as defined below), provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that are inconsistent with the redemption provisions of the Notes.

Prior to any such substitution or variation of the Notes, the Issuer shall deliver to the Agent a certificate in the form described in the definition of Qualifying MREL Securities in accordance with the provisions thereof.

7. TAXATION

7.1 Gross-up

Subject as provided in Condition 7.2 below, all payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in Norway;
- (b) the holder of which is liable for such taxes in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) 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 5.5).

As used herein:

Tax Jurisdiction means Norway or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer); and

Relevant Date means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

7.2 Senior Non-Preferred Notes and Restricted Gross-Up Senior Preferred Notes

This Condition 7.2 shall only apply to (i) Senior Preferred Notes where Restricted Gross-Up Senior Preferred Notes is specified as being applicable in the applicable Final Terms; and (ii) Senior Non-Preferred Notes.

Notwithstanding the remainder of Condition 7.1, the obligation to pay additional amounts under Condition 7.1 will be limited to payments of interest.

8. PRESCRIPTION

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) after the Relevant Date (as defined in Condition 7) 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 8 or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

9. EVENTS OF DEFAULT AND ENFORCEMENT RELATING TO SENIOR PREFERRED NOTES WHERE APPLICABLE

This Condition 9 shall apply only to Senior Preferred Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms and references to **Notes** and **Noteholders** in this Condition 9 shall be construed accordingly.

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing with respect to any Note:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and in the case of interest that default continues for a period of seven days or more; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) any payment obligation under any indebtedness (including deposits) of the Issuer becomes due and repayable prematurely by reason of an event of default (howsoever described) or the Issuer fails to make any payment in respect of any indebtedness (including deposits) within 30 days of the due date for payment (or within the applicable grace period, if such period is longer than 30 days) or any security given by the Issuer for any indebtedness (including deposits) becomes enforceable or if default is made by the Issuer in making any payment due under any guarantee and/or indemnity given by it in relation to any obligation of any other person for 30 days (or within the applicable grace period, if such period is longer than 30 days), PROVIDED that no such event shall constitute an Event of Default unless the indebtedness (including deposits) or other relative liability either alone or when aggregated with other indebtedness (including deposits) and/or liabilities relating to all (if any) other events which shall have occurred and be outstanding shall amount to at least €10,000,000 (or its equivalent in any other currency) and PROVIDED further that, for the purposes of this Condition 9(c), the Issuer shall not be deemed to be in default with respect to any such indebtedness (including deposits), guarantee or indemnity if it shall be contesting in good faith by appropriate means its liability to make payment thereunder; or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; or
- (e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, or in relation to the whole or a substantial part of the undertaking or assets of the Issuer, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of the Issuer and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (g) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is

convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6.6), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

10. EVENTS OF DEFAULT RELATING TO SENIOR PREFERRED NOTES, WHERE APPLICABLE, AND SENIOR NON-PREFERRED NOTES

This Condition 10 shall apply to (i) Senior Preferred Notes unless Unrestricted Events of Default is specified as being applicable in the applicable Final Terms and (ii) Senior Non-Preferred Notes and references to **Notes** and **Noteholders** in this Condition 10 shall be construed accordingly.

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing with respect to any Note:

- (a) if any order is made by any competent court or resolution passed by any competent authority for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or
- (b) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6.6 above), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

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

12. PAYING AGENTS

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

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

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

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency or of a Paying Agent failing to become or ceasing to be a participating foreign financial institution for the purposes of the Code, when

it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders 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.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

14. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

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

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

15. MEETINGS OF NOTEHOLDERS AND MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time

being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to any modification of the Notes, the Coupons or the Agency Agreement which is, in the opinion of the Issuer, of a formal, minor or technical nature or is, in the opinion of the Issuer, made to correct a manifest or proven error or to comply with mandatory provisions of the law. In addition, the Agent shall be obliged to concur with the Issuer without the consent of the Noteholders or the Couponholders (i) in effecting any amendments in the circumstances and as otherwise set out in Condition 4.2(d) or (ii) to any substitution or variation pursuant to Condition 6.11, where applicable.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16. FURTHER ISSUES

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

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

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

18.2 Submission to jurisdiction

- (a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and the Coupons (a **Dispute**) and all Disputes will be submitted to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 18.2, each of the Issuer and any Noteholders or Couponholders taking proceedings in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) This Condition 18.2(c) is for the benefit of the Noteholders and the Couponholders only. To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer irrevocably appoints Intrust Advisory Limited at its registered office at 4th Floor, Portman House, 2 Portman Street, London, W1H 6DU, United Kingdom, as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Intrust Advisory Limited being unable or unwilling for any reason so to act or ceasing to be registered in England, it will immediately appoint another person as its agent for service of process in England in

respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

19. CONTRACTUAL RECOGNITION OF NORWEGIAN STATUTORY LOSS ABSORPTION POWERS

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 19, includes each holder of a beneficial interest in the Notes), by its acquisition of any Note, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effect of the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise may include and result in (without limitation) any of the following, or a combination thereof:
 - (i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
 - (ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
 - (iii) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
 - (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date(s) on which interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority.

20. DEFINITIONS

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

Applicable MREL Regulations means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Norway giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer and/or the Group, including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies giving effect to any MREL Requirement or any successor regulations then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);

BRRD means Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as amended or replaced from time to time (including, without limitation, by the Creditor Hierarchy Directive);

Calculation Agent means the Agent or any other person specified as such in the applicable Final Terms;

Calculation Amount has the meaning given in the relevant Final Terms;

CRD IV means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures;

CRD IV Directive means Directive 2013/36/EU of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as amended or replaced from time to time;

CRD IV Implementing Measures means any regulatory capital rules or regulations or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules, regulations or other requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt and without limitation any regulatory technical standards released from time to time by the European Banking Authority (or any successor or replacement thereof);

Creditor Hierarchy Directive means Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy, or any equivalent legislation;

CRR means Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

Group means the Issuer and its subsidiaries;

MREL Disqualification Event means the determination by the Issuer that, as a result of a change in any Applicable MREL Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the first Tranche of the Notes, the Notes will be fully excluded or partially excluded from the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer and/or the Group is then or, as the case may be, will be subject to such MREL Requirement, provided that a MREL Disqualification Event shall not occur where such exclusion is or will be caused by (1) the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (2) any applicable limits on the amount of “eligible liabilities” (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded;

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

MREL Requirement means the minimum requirement for own funds and eligible liabilities which is or, as the case may be, will be applicable to the Issuer and/or the Group;

NFSA means the Financial Supervisory Authority of Norway (*Finanstilsynet*);

Non-Preferred Junior Securities means all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Senior Non-Preferred Notes;

Non-Preferred Parity Securities means any unsecured obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Senior Non-Preferred Notes;

Norwegian Statutory Loss Absorption Powers means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Norway, relating to (i) the transposition into Norwegian law of the BRRD (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

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

- (a) other than in the case of a change to the governing law of Condition 19 to Norwegian law in order to ensure the effectiveness and enforceability of Condition 19 have terms not materially less favourable to the Noteholders as a class than the terms of the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised Directors of the Issuer shall have been delivered to the Agent not less than five Business Days prior to (i) in the case of a substitution of the Notes, the issue of the relevant securities or (ii) in the case of a variation of the Notes, such variation, as the case may be), and, subject thereto, they shall (1) have a ranking at least equal to that of the Notes prior to such substitution or variation, as the case may be, (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes prior to such

substitution or variation, as the case may be, (3) have the same redemption rights as the Notes prior to such substitution or variation, as the case may be, (4) comply with the then current requirements in relation to “eligible liabilities” (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, and (6) where Notes which have been substituted or varied had a published rating from the Rating Agency immediately prior to such substitution or variation, such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying MREL Securities; and

- (b) are listed on a recognised stock exchange, if the Notes were listed immediately prior to such substitution or variation, as selected by the Issuer;

Rating Agency means S&P Global Ratings or its successor;

Reference Bank means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of CIBOR, the principal Copenhagen office of four major banks in the Danish inter-bank market, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Norwegian inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Swedish inter-bank market, in each case selected by the Reference Banks Agent or as specified in the applicable Final Terms;

Reference Banks Agent means an independent investment bank, commercial bank or stockbroker appointed by the Issuer;

Relevant Amounts means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts due on the Notes and any other amounts which may otherwise be or become payable at any time in connection with the Notes. References to such amounts will include (but are not limited to) amounts that have become due and payable, but which have not been paid, prior to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority;

Relevant Regulator means the NFSA and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or (in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes) the Relevant Resolution Authority (if applicable), in any case as determined by the Issuer;

Relevant Resolution Authority means the (or each) resolution authority with the ability to exercise any Norwegian Statutory Loss Absorption Powers in relation to the Issuer;

Relevant Screen Page means the page, section or other part of a particular information service (including, without limitation, the Reuters Money 3000 Service) specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Senior Creditors means (a) depositors of the Issuer and (b) all unsubordinated creditors of the Issuer (including, inter alios, holders of Senior Preferred Notes other than creditors in respect of any Non-Preferred Parity Securities and any Statutory Non-Preferred Claims, if any);

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

Statutory Non-Preferred Claims means, upon Norway adopting legislation introducing a senior non-preferred ranking class as prescribed by Article 108(2) of the BRRD (as amended by Directive (EU) 2017/2399 of the European parliament and the Council of 12 December 2017 amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy), unsecured claims resulting from debt instruments that meet the following conditions:

- (a) the original contractual maturity of the debt instruments is at least one year;

- (b) the debt instruments contain no embedded derivatives and are not derivatives themselves; and
- (c) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under this paragraph (c); and

Terms and Conditions of the VPS Notes

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

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

Each VPS Note will be one of a Series (as defined below) of notes issued under the Programme maintained by Norwegian Finans Holding ASA and Bank Norwegian AS (together, the **Issuers**).

References herein to the Issuer shall be references to whichever of Norwegian Finans Holding ASA and Bank Norwegian AS is specified as such in the applicable Final Terms (as defined below).

Each VPS Note will be issued in accordance with, where the Issuer is specified in the applicable Final Terms as being Norwegian Finans Holding ASA, a VPS agency agreement dated 30 June 2020 between Norwegian Finans Holding ASA and DNB Bank ASA (such agreement as modified and/or supplemented and/or restated from time to time, the **Norwegian Finans Holding ASA VPS Agency Agreement**) or, where the Issuer is specified in the applicable Final Terms as being Bank Norwegian AS, a VPS agency agreement dated 13 March 2009 between Bank Norwegian AS and DNB Bank ASA (such agreement as modified and/or supplemented and/or restated from time to time, the **Bank Norwegian AS VPS Agency Agreement** and, together with the Norwegian Finans Holding ASA VPS Agreement, the **VPS Agency Agreements** and each a **VPS Agency Agreement**). References in the VPS Conditions to the VPS Agency Agreement shall be construed as being a reference to the applicable VPS Agency Agreement entered into by the Issuer specified as such in the applicable Final Terms. DNB Bank ASA is hereinafter referred to as the **VPS Agent** (which expression shall include any successor as VPS Agent) in relation to each VPS Agency Agreement.

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

Each VPS Note will have the benefit of, where the Issuer is specified in the applicable Final Terms as being Norwegian Finans Holding ASA, a trust agreement dated 2 July 2020 between Norwegian Finans Holding ASA and Nordic Trustee AS (such agreement as modified and/or supplemented and/or restated from time to time, the **Norwegian Finans Holding ASA VPS Trustee Agreement**) or, where the Issuer is specified in the applicable Final Terms as being Bank Norwegian AS, a trust agreement dated 2 July 2020 between Bank Norwegian AS and Nordic Trustee AS (such agreement as modified and/or supplemented and/or restated from time to time, the **Bank Norwegian AS VPS Trustee Agreement** and, together with the Norwegian Finans Holding ASA VPS Trustee Agreement, the **VPS Trustee Agreements** and each a **VPS Trustee Agreement**). References in the VPS Conditions to the VPS Trustee Agreement shall be construed as being a reference to the applicable VPS Trustee Agreement entered into by the Issuer specified as such in the applicable Final Terms. Nordic Trustee AS is hereinafter referred to as the **VPS Trustee** (which expression shall include any successor as VPS Trustee) in relation to each VPS Trustee Agreement.

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

The Final Terms of each Tranche of VPS Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these Terms and Conditions of the VPS Notes (the **VPS Conditions**). References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) which complete the VPS Conditions.

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

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

A copy of the VPS Trustee Agreement is available for inspection during normal business hours at the registered office of the VPS Trustee at Kronprinsesse Märthas plass 1, 0160 Oslo, Norway (as at 2 July 2020).

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

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

1. FORM, DENOMINATION AND TITLE

The VPS Notes are in uncertificated book entry form in the currency (the **Specified Currency**) and the denomination(s) (the **Specified Denomination(s)**) specified in the applicable Final Terms.

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

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

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

A VPS Note may be a Senior Preferred Note or a Senior Non-Preferred Note, depending upon the Status of the VPS Notes shown in the applicable Final Terms.

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

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

Each person (other than Euroclear Bank SA/NV (**Euroclear**) or Clearstream Banking S.A. (**Clearstream, Luxembourg**)) who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of such VPS Notes shall be treated by the Issuer, the VPS Trustee and the VPS Agent, as the holder of such nominal amount of such VPS Notes for all purposes. VPS Notes will be transferable only in accordance with the rules and procedures of the VPS from time to time.

2. STATUS OF THE SENIOR PREFERRED VPS NOTES

This **Condition 2** applies only to Senior Preferred VPS Notes and references to **VPS Notes** and **Coupons** in this Condition 2 shall be construed accordingly.

- (a) The VPS Notes and the relative Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations of the Issuer, present and future, from time to time outstanding. So long as any of the VPS Notes remains outstanding, the Issuer undertakes to ensure that the obligations of the Issuer under the VPS Notes rank and will rank at least *pari passu* with all other unsecured and unsubordinated obligations (including deposits) of the Issuer and with all its unsecured and unsubordinated obligations under guarantees of obligations of third parties, in each case except for any obligations preferred by mandatory provisions of applicable law.

- (b) **No right of set-off or counterclaim**

This Condition 2(b) applies only where No Right of Set-Off or Counterclaim is specified as being applicable in the applicable Final Terms.

No VPS Noteholder who becomes indebted to the Issuer shall, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the VPS Notes held by such VPS Noteholder.

3. STATUS OF THE SENIOR NON-PREFERRED VPS NOTES

This Condition 3 applies only to Senior Non-Preferred VPS Notes and references to **VPS Notes** and **VPS Noteholders** in this Condition 3 shall be construed accordingly.

- (a) The VPS Notes constitute direct, unconditional and unsecured obligations of the Issuer, and will at all times rank *pari passu* without any preference among themselves.
- (b) **Subject** as set out in Condition 3(c) below, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration (except, in any such case, a solvent liquidation, dissolution, or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the Issuer, the terms of which reorganisation, reconstruction or amalgamation have previously been approved by a VPS Noteholders Meeting (as defined in the VPS Trustee Agreement) of the VPS Noteholders and do not provide that the VPS Notes thereby become redeemable or repayable), claims of the VPS Noteholders against the Issuer in respect of or arising under the VPS Notes (including any amounts attributable to the VPS Notes and any damages awarded for breach of any obligations thereunder) shall rank:
- (i) *pari passu* without any preference among themselves;
 - (ii) *pari passu* with claims in respect of Non-Preferred Parity Securities and Statutory Non-Preferred Claims, if any;
 - (iii) in priority to claims in respect of Non-Preferred Junior Securities; and
 - (iv) junior to any present or future claims of Senior Creditors.
- (c) At any time after the Creditor Hierarchy Directive has been implemented in Norway, the Issuer may (but is not obliged to), by providing notice (the **Ranking Notice**) to the VPS Noteholders in accordance with Condition 12, specify that (subject to the laws of Norway) the VPS Notes (together with any other outstanding Series of Senior Non-Preferred VPS Notes) shall rank within the class of unsecured debt instruments of the Issuer having the lower priority ranking contemplated by Article 108(2) of the BRRD, as set out in the Creditor Hierarchy Directive with effect from the date specified in the Ranking Notice (for the avoidance of doubt, should there be any inconsistency between any statutory ranking which may be introduced in Norway in order to implement the provisions of Article 108(2) of the BRRD, if any, and the ranking as set out in Condition 3(b) above, such statutory ranking shall prevail).
- (d) **No right of set-off or counterclaim**
- No VPS Noteholder who becomes indebted to the Issuer shall, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the VPS Notes held by such VPS Noteholder.

4. INTEREST

The applicable Final Terms will indicate whether the VPS Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

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

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

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

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

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the

relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In the VPS Conditions:

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4:

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (A) in the case of VPS Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the Accrual Period) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of VPS Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

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

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

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

(i) **Interest Payment Dates**

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

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

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

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

In the VPS Conditions, **Business Day** means:

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

(ii) **Rate of Interest**

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

(A) *ISDA Determination for Floating Rate Notes*

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

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

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

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

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

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

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

(expressed as a percentage rate per annum) for the Reference Rate (being either the London interbank offered rate (**LIBOR**), the Euro-zone interbank offered rate (**EURIBOR**), the Copenhagen interbank offered rate (**CIBOR**), the Norwegian interbank offered rate (**NIBOR**) or the Stockholm interbank offered rate (**STIBOR**), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 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 Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Condition 4(b)(ii)(B)(1), no offered quotation appears or, in the case of Condition 4(b)(ii)(B)(2), 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 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 by the Calculation 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 Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the 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 London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Danish inter-bank market (if the Reference

Rate is CIBOR), the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Swedish inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the 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 London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Danish inter-bank market (if the Reference Rate is CIBOR), the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Swedish inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(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 4(b)(iii) 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 4(b)(iii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) **Reference Rate Replacement**

If:

- (A) Reference Rate Replacement is specified in the applicable Final Terms and Screen Rate Determination is specified in the applicable Final Terms as being applicable; and
- (B) notwithstanding the provisions of Condition 4(b)(ii)4(b)(ii)(B), the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event has occurred when any Rate of Interest (or component thereof) remains to be determined by reference to the Reference Rate,

then the following provisions shall apply to the VPS Notes:

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine:
 - (1) a Successor Reference Rate; or
 - (2) if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the **IA Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the VPS Notes for such next Interest Period and for all other future

Interest Periods (subject to the subsequent operation of this Condition 4(b)(iv) during any other future Interest Period(s));

(B) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer fails to determine a Successor Reference Rate or an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine:

- (1) a Successor Reference Rate; or
- (2) if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) no later than three Business Days prior to the Interest Determination Date relating to the next Interest Period (the **Issuer Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the VPS Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 4(b)(iv) during any other future Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

(C) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 4(b)(iv):

(1) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv));

(2) if the relevant Independent Adviser or the Issuer (as applicable):

(x) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv)); or

(y) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv)); and

(3) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

(x) changes to the VPS Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (i) the Additional Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Specified Time, Additional Financial Centre(s) and/or Relevant Screen Page applicable to the VPS Notes and (ii) the method for determining the fallback to the Rate of Interest in

relation to the VPS Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and

- (y) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the VPS Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(b)(iv)); and

- (4) promptly following the occurrence of a Benchmark Event, the appointment of an Independent Adviser and/or the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof (including, in the case of the appointment of the Independent Adviser, the name and contact details of such Independent Adviser) and of any changes (and the effective date thereof) pursuant to Condition 4(b)(iv)(C)(3) to the Calculation Agent, the VPS Agent and the VPS Noteholders in accordance with Condition 12.

No consent of the VPS Noteholders or the VPS Trustee shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 4(b)(iv) or such other relevant changes pursuant to Condition 4(b)(iv)(C)(3), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the VPS Agency Agreement or the VPS Trustee Agreement (if required).

Notwithstanding any other provision of this Condition 4(b)(iv), the Calculation Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4(b)(iv) which would have the effect of (i) exposing the Calculation Agent to any liability or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Calculation Agent in the Agency Agreement and/or the VPS Conditions.

Notwithstanding any other provision of this Condition 4(b)(iv), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4(b)(iv), the Calculation Agent shall promptly notify the Issuer and/or the Independent Adviser thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer and/or the Independent Adviser (as the case may be) thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 4(b)(iv) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 4(b)(ii)4(b)(ii)(B).

Notwithstanding any other provision of this Condition 4(b)(iv) in the case of Restricted Senior Preferred VPS Notes and Senior Non-Preferred VPS Notes no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the VPS Notes will be made pursuant to this Condition 4(b)(iv), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected:

- (A) to prejudice the qualification of the VPS Notes as MREL Eligible Liabilities; and
- (B) to result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the VPS Notes, rather than the relevant Maturity Date.

In the VPS Conditions:

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the relevant Independent Adviser or the Issuer (as applicable) determines is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to VPS Noteholders as a result of the replacement of the Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (A) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (B) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (C) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

Alternative Reference Rate means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods, or, if such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Reference Rate;

Benchmark Event means:

- (A) the Original Reference Rate ceasing to exist or be published; or
- (B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor or the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor or the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (E) it has become unlawful for the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any VPS Noteholder using the Original Reference Rate;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(b)(iv);

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

Relevant Nominating Body means, in respect of a reference rate:

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

- (B) 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 such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

Successor Reference Rate means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body. **Determination of Rate of Interest and calculation of Interest Amounts**

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

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

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

- (A) 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);
- (B) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) 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;
- (D) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) 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;

- (F) 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:

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

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;

- (G) 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:

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

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.

(vi) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if

the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

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

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the VPS Agent, the VPS Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the VPS Noteholders in accordance with Condition 12. For the purposes of this paragraph(vii), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the VPS rules and regulations for the time being in effect.

(viii) **Determination or Calculation by the VPS Trustee**

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Interest, the VPS Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 4(b)(viii), but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the VPS Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(ix) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, by the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on all parties and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) **Accrual of interest**

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

- (i) the date on which all amounts due in respect of such VPS Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such VPS Note has been received by the VPS Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 12.

(d) **Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in respect of the VPS Notes and for so long as any VPS Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the VPS Notes, references in the VPS Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the VPS Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. PAYMENTS

(a) Method of payment

Subject as provided below:

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

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

(b) Payments in respect of VPS Notes

Payments of principal and interest in respect of VPS Notes and notification thereof to VPS Noteholders will be made to the VPS Noteholders shown in the records of the VPS and will be effected through and in accordance with and subject to the rules and regulations from time to time governing the VPS. The VPS Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any VPS Noteholder. The Issuer reserves the right at any time with the approval of the VPS Trustee to vary or terminate the appointment of the VPS Agent or the Calculation Agent and to appoint additional or other agents, provided that the Issuer shall at all times maintain (i) a VPS Agent authorised to act as an account operating institution with the VPS, (ii) one or more Calculation Agent(s) where the VPS Conditions so require, and (iii) such other agents as may be required by any other stock exchange on which the VPS Notes may be listed in each case.

Notice of any such change or of any change of any specified office shall promptly be given to the VPS Noteholders in accordance with Condition 12.

(c) Payment Day

If the date for payment of any amount in respect of any VPS Note is not a Payment Day, the holder thereof shall not be entitled to payment of the relevant payment due until the next following Payment Day and shall not be entitled to any interest or other payment in respect of any such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) London; and
 - (B) any Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

- (C) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
 - (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (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 or 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 the VPS Conditions to principal in respect of the VPS Notes shall be deemed to include, as applicable:
- (i) the Final Redemption Amount of the VPS Notes;
 - (ii) the Early Redemption Amount of the VPS Notes;
 - (iii) the Optional Redemption Amount(s) (if any) of the VPS Notes;
 - (iv) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(i)); and
 - (v) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS Notes.

Any reference in the VPS Conditions to interest in respect of the VPS Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. REDEMPTION AND PURCHASE

(a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below or (if applicable, pursuant to Condition 6(k) substituted, each VPS Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) Redemption for tax reasons

Subject, if applicable to the provisions of Condition 6(f), the VPS Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this VPS Note is not a Floating Rate Note) or on an Interest Payment Date (if this VPS Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the VPS Agent and in accordance with Condition 12, the VPS Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment date due under the VPS Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of VPS Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measure available to it,

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

Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the VPS Agent to make available at its specified office to the VPS Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised

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

VPS Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(f) 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 as being applicable in the applicable Final Terms, subject, if applicable, to the provisions of Condition 6(j), the Issuer may, having given not less than the minimum period of notice nor more than the maximum period of notice specified in the applicable Final Terms to the VPS Noteholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the VPS Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

If **Sterling Make-Whole Redemption Amount** is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be equal to the higher of (i) 100 per cent. of the principal amount outstanding of the VPS Notes to be redeemed or (ii) the principal amount outstanding of the VPS Notes to be redeemed multiplied by the price, as reported to the Issuer by the Financial Adviser, at which the Gross Redemption Yield on such VPS Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Financial Adviser.

If **Non-Sterling Make-Whole Redemption Amount** is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount calculated by the VPS Agent equal to the higher of (i) 100 per cent. of the principal amount outstanding of the VPS Notes to be redeemed or (ii) the sum of the present values of the principal amount outstanding of the VPS Notes to be redeemed and the Remaining Term Interest on such VPS Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 6(c):

FA Selected Bond means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the VPS Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the VPS Notes and of a comparable maturity to the remaining term of the VPS Notes;

Financial Adviser means a financial adviser selected by the Issuer;

Gross Redemption Yield means, in respect of a security, the gross redemption yield for such security, expressed as a percentage and calculated by the Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper Formulae for Calculating Gilt Prices from Yields page 5, Section One: Price/Yield Formulae Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date (published 08/06/1998 and updated on 15/01/2002 and 16/03/2005 (as amended and supplemented from time to time)) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Issuer may approve;

Redemption Margin shall be as set out in the applicable Final Terms;

Reference Bond shall be as set out in the applicable Final Terms or shall be the FA Selected Bond;

Reference Bond Price means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Calculation Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

Reference Date will be set out in the relevant notice of redemption;

Reference Government Bond Dealer means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any VPS Note, the aggregate amount of scheduled payment(s) of interest on such VPS Note for the remaining term of such VPS Note determined on the basis of the rate of interest applicable to such VPS Note from and including the date on which such VPS Note is to be redeemed by the Issuer pursuant to this Condition 6(c).

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6(c) by the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on all parties and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent or in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

In the case of a partial redemption of VPS Notes, the VPS Notes to be redeemed (**Redeemed VPS Notes**) will be selected in accordance with the rules and procedures of the VPS in the relation to such VPS Notes, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).

(d) **Redemption upon MREL Disqualification Event**

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

Subject, if applicable, to the provisions of Condition 6(j), the VPS Notes may be redeemed at the option of the Issuer, in whole, but not in part, at any time (in the case of all VPS Notes other than Floating Rate VPS Notes) or on any Interest Payment Date (in the case of Floating Rate VPS Notes) on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 12, the VPS Noteholders (which notice shall be irrevocable) if a MREL Disqualification Event has occurred.

Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer shall deliver to the Agent to make available at its specified office to the VPS Noteholders 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 a MREL Disqualification Event has occurred.

Notes redeemed pursuant to this Condition 6(d) will be redeemed at their Early Redemption Amount referred to in Condition 6(f) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(e) **Redemption at the option of the VPS Noteholders (Investor Put)**

This Condition 6(e) is only applicable to Senior Preferred VPS Notes which are not Restricted Senior Preferred VPS Notes and references to **VPS Notes** in this Condition 6(e) shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any VPS Note giving to the Issuer in accordance with Condition 12 not less than the minimum notice period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such VPS Note on the Optional Redemption Date and at

the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of the VPS Notes, the holder of the VPS Notes must, within the notice period, give notice (the **Put Notice**) to the VPS Agent of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Notice given by a holder of any VPS Note pursuant to this Condition 6(e) shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9 or Condition 10 (as applicable).

(f) **Early Redemption Amounts**

For the purpose of Condition 6(b), Condition 6(d), Condition 9 and Condition 10:

- (i) each VPS Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (ii) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

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

(g) **Purchases**

Subject, if applicable to the provisions of Condition 6(j), the Issuer or any subsidiary of the Issuer may at any time purchase VPS Notes at any price in the open market or otherwise. Such VPS Notes may be held, reissued, resold or, at the option of the Issuer, cancelled by causing such VPS Notes to be deleted from the records of the VPS.

(h) **Cancellation**

All VPS Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be cancelled by causing such VPS Notes to be deleted from the records of the VPS.

All VPS Notes which are redeemed will forthwith be cancelled in the same manner. Any VPS Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such VPS Notes shall be discharged.

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

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), 6(b), 6(c) or 6(e) above or upon its becoming due and repayable as provided in Condition 9 or Condition 10, as the case may be, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(f)(ii) above as though the references therein to the date fixed for the

redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 12.

(j) **Regulatory Consent**

This Condition 6(j) applies to (i) Senior Preferred VPS Notes where Regulatory Consent is specified as being applicable in the applicable Final Terms (**Restricted Senior Preferred VPS Notes**); and (ii) Senior Non-Preferred VPS Notes.

In the case of Restricted Senior Preferred VPS Notes and Senior Non-Preferred VPS Notes, no early redemption in any circumstances, purchase under Condition 6(g), or substitution or variation under Condition 6(k) shall take place without the prior written permission of the Relevant Regulator (in each case, if, and to the extent, then required by the Relevant Regulator and by the Applicable MREL Regulations). For the avoidance of doubt, redemption of Senior Preferred VPS Notes and Senior Non-Preferred VPS Notes under Condition 6(a) or repayment pursuant to Condition 9 or Condition 10, as the case may be, shall not require the consent of the Relevant Regulator.

(k) **Substitution or Variation**

This Condition 6(k) applies only where it is specified as being applicable in the applicable Final Terms and references to **VPS Notes** and **VPS Noteholders** in this Condition 6(k) shall be construed accordingly.

If at any time a MREL Disqualification Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 18, the Issuer may, subject to the provisions of Condition 6(j) (without any requirement for the consent or approval of the VPS Noteholders) on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 12, the VPS Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the VPS Notes for, or vary the terms of the VPS Notes (including changing the governing law of Condition 17, from English law to Norwegian law) so that they remain or, as appropriate, become, Qualifying MREL Securities (as defined below), provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that are inconsistent with the redemption provisions of the VPS Notes.

Prior to any such substitution or variation of the VPS Notes, the Issuer shall deliver to the Agent a certificate in the form described in the definition of Qualifying MREL Securities in accordance with the provisions thereof.

7. TAXATION

(a) **Gross-up**

Subject as provided in Condition 7(b) below, all payments of principal and interest in respect of the VPS Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. 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 Notes 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 Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any VPS Note:

- (i) presented for payment in Norway;
- (ii) the holder of which is liable for such taxes in respect of such VPS Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such VPS Note; 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 5(c)).

As used herein:

Tax Jurisdiction means Norway or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer); and

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 VPS Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the VPS Noteholders in accordance with Condition 12.

(b) **Senior Non-Preferred VPS Notes and Restricted Gross-Up Senior Preferred VPS Notes**

This Condition 7(b) shall only apply to (i) Senior Preferred VPS Notes where Restricted Gross-Up Senior Preferred VPS Notes is specified as being applicable in the applicable Final Terms; and (ii) Senior Non-Preferred VPS Notes.

Notwithstanding the remainder of Condition 7(a), the obligation to pay additional amounts under Condition 7(a) will be limited to payments of interest.

8. PRESCRIPTION

The VPS Notes 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 18) therefor.

9. EVENTS OF DEFAULT AND ENFORCEMENT RELATING TO SENIOR PREFERRED VPS NOTES WHERE APPLICABLE

This Condition 9 shall apply only to Senior Preferred VPS Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms and references to **VPS Notes** and **VPS Noteholders** in this Condition 9 shall be construed accordingly.

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing with respect to any VPS Note:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the VPS Notes or any of them and in the case of interest that default continues for a period of seven days or more; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the VPS Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the VPS Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) any payment obligation under any indebtedness (including deposits) of the Issuer becomes due and repayable prematurely by reason of an event of default (howsoever described) or the Issuer fails to make any payment in respect of any indebtedness (including deposits) within 30 days of the due date for payment (or within the applicable grace period, if such period is longer than 30 days) or any security given by the Issuer for any indebtedness (including deposits) becomes enforceable or if default is made by the Issuer in making any payment due under any guarantee and/or indemnity given by it in relation to any obligation of any other person for 30 days (or within the applicable grace period, if such period is longer than 30 days), PROVIDED that no such event shall constitute an Event of Default unless the indebtedness (including deposits) or other relative liability either alone or when aggregated with other indebtedness (including deposits) and/or liabilities relating to all (if any) other events which shall have occurred and be outstanding shall amount to at least €10,000,000 (or its equivalent in any other currency) and PROVIDED further that, for the purposes of this Condition 9(c), the Issuer shall not be deemed to be in default with respect to any such indebtedness (including deposits), guarantee or indemnity if it shall be contesting in good faith by appropriate means its liability to make payment thereunder; or

- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved by a VPS Noteholders Meeting (as defined in the VPS Trustee Agreement) of the VPS Noteholders; or
- (e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by a VPS Noteholders Meeting of the VPS Noteholders, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, or in relation to the whole or a substantial part of the undertaking or assets of the Issuer, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of the Issuer and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (g) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then the VPS Trustee may, by written notice to the Issuer declare any VPS Notes to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

10. EVENTS OF DEFAULT RELATING TO SENIOR PREFERRED VPS NOTES, WHERE APPLICABLE, AND SENIOR NON-PREFERRED VPS NOTES

This Condition 10 shall apply to (i) Senior Preferred VPS Notes unless Unrestricted Events of Default is specified as being applicable in the applicable Final Terms; and (ii) Senior Non-Preferred VPS Notes and references to **VPS Notes** and **VPS Noteholders** in this Condition 10 shall be construed accordingly.

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing with respect to any VPS Note:

- (a) if any order is made by any competent court or resolution passed by any competent authority for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved by a VPS Noteholders Meeting of the VPS Noteholders; or
- (b) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then the VPS Trustee may, by written notice to the Issuer declare any VPS Notes to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

11. TRANSFER AND EXCHANGE OF VPS NOTES

- (a) **Transfers of Interests in VPS Notes**

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

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

In the event of a partial redemption of VPS Notes under Condition 6, the Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

(c) **Costs of registration and administration of the VPS Register**

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

12. NOTICES

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

13. MEETINGS OF VPS NOTEHOLDERS AND MODIFICATION

(a) **Provisions with respect to Holders of VPS Notes**

The VPS Trustee Agreement contains provisions for convening meetings of the VPS Noteholders to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, the Exchange or by VPS Noteholders holding not less than 10 per cent. of the Voting VPS Notes. (For the purpose of this Condition 13, **Voting VPS Notes** means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise deregistered in the VPS, less the VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.)

The quorum at a meeting for passing a resolution is one or more persons holding not less than 50 per cent. in aggregate nominal amount of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing holders of Voting VPS Notes whatever the nominal amount of the VPS Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Notes, the VPS Trustee Agreement (including modifying the date of maturity of the VPS Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the outstanding Voting VPS Notes, or at any adjourned such meeting one or more persons holding or representing not less than one third in aggregate nominal amount of the Voting VPS Notes. A resolution passed at any meeting of the VPS Noteholders shall be binding on all the VPS Noteholders, whether or not they are present at such meeting.

(b) **Modification**

The VPS Trustee Agreement provides that:

- (i) in order to make the following amendments, a majority of at least two-thirds of the votes cast in respect of Voting VPS Notes is required:
 - (A) modification of the Maturity Date of the VPS Notes specified in the applicable Final Terms, or reduction or cancellation of the nominal amount payable upon maturity;

- (B) reduction or calculation of the amount payable, or modification of the payment date in respect of any interest in respect of the VPS Notes or variation of the method of calculating the rate of interest in respect of the VPS Notes;
 - (C) reduction of any Minimum Rate of Interest and/or Maximum Rate of Interest specified in the applicable Final Terms;
 - (D) modification of the currency in which payments under the VPS Notes 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(f) 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 13(b)(i) above, the VPS Trustee, without providing prior written notice to, or consultation with, the VPS Noteholders may make decisions binding on all affected VPS Noteholders relating to the Final Terms, the VPS Conditions/or and the VPS Trustee Agreement provided that such decision is either (x) not detrimental to the rights and benefits of the affected VPS Noteholders in any material respect, (y) made solely for rectifying obvious errors and mistakes, or (z) required to be made pursuant to law, court order or other administrative decision. The VPS Trustee shall as soon as possible notify the affected VPS Noteholders of any proposal to make such amendments, setting out the date from which the amendment will be effective, unless such notice obviously is unnecessary.

14. VPS TRUSTEE

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction. VPS Noteholders are deemed to have accepted and will be bound by the VPS Conditions and the terms of the VPS Trustee Agreement.

15. FURTHER ISSUES

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

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) Governing law

The VPS Notes (and any non-contractual obligations arising out of or in connection with the VPS Notes) are governed by, and shall be construed in accordance with, English law, save as to Conditions 2, 3, 11, 12, 13, 14 and 15 (and any non-contractual obligations arising out of or in connection with such conditions) which are governed by and shall be construed in accordance with Norwegian law.

The VPS Trustee Agreement and VPS Agency Agreement are governed by and shall be construed in accordance with Norwegian law.

VPS Notes must comply with the Norwegian Act of 15 March 2019 no. 64 on Central Securities Depositories (the “CSD Act”) (Nw. *verdipapirsentralloven*), which implements Regulation (EU) No. 909/2014 () into Norwegian law, and, to the extent applicable the Norwegian Act of 5 July 2002 No. 64 on the Registration of Financial Instruments, as amended from time to time, and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under these Acts and any related regulations and legislation.

(b) **Submission to jurisdiction**

- (i) Subject to Condition 17(b)(iii) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the VPS Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the VPS Notes (a **Dispute**) and all Disputes will be submitted to the exclusive jurisdiction of the English courts.
- (ii) For the purposes of this Condition 17(b), each of the Issuer and the VPS Trustee (or alternatively any holders of VPS Notes or Coupons) taking proceedings in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) This Condition 17(b)(iii) is for the benefit of the VPS Trustee (on behalf of the holders of VPS Notes) only. To the extent allowed by law, the VPS Trustee (on behalf of the holders of VPS Notes) may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

(c) **Appointment of Process Agent**

The Issuer irrevocably appoints Intrust Advisory Limited at its registered office at 4th Floor, Portman House, 2 Portman Street, London, W1H 6DU, United Kingdom. as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Intrust Advisory Limited being unable or unwilling for any reason so to act or ceasing to be registered in England, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18. CONTRACTUAL RECOGNITION OF NORWEGIAN STATUTORY LOSS ABSORPTION POWERS

Notwithstanding and to the exclusion of any other term of the VPS Notes or any other agreements, arrangements or understanding between the Issuer and any VPS Noteholder (which, for the purposes of this Condition 18, includes each holder of a beneficial interest in the VPS Notes), by its acquisition of any VPS Note, each VPS Noteholder acknowledges and accepts that any liability arising under the VPS Notes may be subject to the exercise of Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (i) the effect of the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise may include and result in (without limitation) any of the following, or a combination thereof:
 - (A) the reduction of all, or a portion, of the Relevant Amounts in respect of the VPS Notes;
 - (B) the conversion of all, or a portion, of the Relevant Amounts in respect of the VPS Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the VPS Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the VPS Notes;
 - (C) the cancellation of the Notes or the Relevant Amounts in respect of the VPS Notes; and
 - (D) the amendment or alteration of the maturity of the VPS Notes or amendment of the amount of interest payable on the VPS Notes, or the date(s) on which interest becomes payable, including by suspending payment for a temporary period; and
- (ii) the variation of the terms of the VPS Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority.

19. DEFINITIONS

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

Agency Agreement means an amended and restated agency agreement dated 2 July 2020 between the Issuer and the agents named therein, as amended and/or supplemented and/or restated from time to time;

Applicable MREL Regulations means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Norway giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer and/or the Group, including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies giving effect to any MREL Requirement or any successor regulations then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);

BRRD means Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as amended or replaced from time to time (including, without limitation, by the Creditor Hierarchy Directive);

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

Calculation Agent means, in relation to the VPS Notes of any Series, the person appointed as calculation agent in relation to the VPS Notes by the Issuer pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of the VPS Notes;

Calculation Amount has the meaning given in the relevant Final Terms;

CRD IV means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures;

CRD IV Directive means Directive 2013/36/EU of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as amended or replaced from time to time;

CRD IV Implementing Measures means any regulatory capital rules or regulations or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules, regulations or other requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt and without limitation any regulatory technical standards released from time to time by the European Banking Authority (or any successor or replacement thereof);

Creditor Hierarchy Directive means Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy, or any equivalent legislation;

CRR means Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

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

Exchange means, for the purpose of the VPS Conditions, the securities exchange or other reputable marketplace for securities, on which the VPS Notes are listed, or where the Issuer has applied for listing of the VPS Notes, as specified in the applicable Final Terms;

Fixed Rate Note means a VPS Note on which interest is calculated at a fixed rate payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;

Floating Rate Note means a VPS Note on which interest is calculated at a floating rate, payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;

Group means the Issuer and its subsidiaries;

Interest Commencement Date means, in the case of interest bearing VPS Notes, the date specified in the applicable Final Terms from and including which the VPS Notes bear interest, which may or may not be the Issue Date;

Issue Date means, in respect of any VPS Note, the date of issue of the VPS Note;

MREL Disqualification Event means the determination by the Issuer that, as a result of a change in any Applicable MREL Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the first Tranche of the VPS Notes, the VPS Notes will be fully excluded or partially excluded from the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer and/or the Group is then or, as the case may be, will be subject to such MREL Requirement, provided that a MREL Disqualification Event shall not occur where such exclusion is or will be caused by (1) the remaining maturity of the VPS Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (2) any applicable limits on the amount of “eligible liabilities” (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded;

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

MREL Requirement means the minimum requirement for own funds and eligible liabilities which is or, as the case may be, will be applicable to the Issuer and/or the Group;

NFSA means the Financial Supervisory Authority of Norway (*Finanstilsynet*);

Non-Preferred Junior Securities means all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Senior Non-Preferred VPS Notes;

Non-Preferred Parity Securities means any unsecured obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Senior Non-Preferred VPS Notes;

Norwegian Statutory Loss Absorption Powers means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Norway, relating to (i) the transposition into Norwegian law of the BRRD (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

Oslo Business Days means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Oslo;

outstanding means, in relation to the VPS Notes of any Series, all the VPS Notes issued other than:

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

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

- (a) other than in the case of a change to the governing law of Condition 18 to Norwegian law in order to ensure the effectiveness and enforceability of Condition 18 have terms not materially less favourable to the VPS Noteholders as a class than the terms of the VPS Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised Directors of the Issuer shall have been delivered to the Agent not less than five Business Days prior to (i) in the case of a substitution of the VPS Notes, the issue of the relevant securities or (ii) in the case of a variation of the VPS Notes, such variation, as the case may be), and, subject thereto, they shall (1) have a ranking at least equal to that of the VPS Notes prior to such substitution or variation, as the case may be, (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the VPS Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights as the VPS Notes prior to such substitution or variation, as the case may be, (4) comply with the then current requirements in relation to “eligible liabilities” (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the VPS Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, and (6) where VPS Notes which have been substituted or varied had a published rating from the Rating Agency immediately prior to such substitution or variation, such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying MREL Securities; and
- (b) are listed on a recognised stock exchange, if the VPS Notes were listed immediately prior to such substitution or variation, as selected by the Issuer;

Rating Agency means S&P Global Ratings or its successor;

Reference Bank means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of CIBOR, the principal Copenhagen office of four major banks in the Danish inter-bank market, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Norwegian inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Swedish inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms;

Reference Banks Agent means an independent investment bank, commercial bank or stockbroker appointed by the Issuer;

Relevant Amounts means the outstanding principal amount of the VPS Notes, together with any accrued but unpaid interest and additional amounts due on the VPS Notes and any other amounts which may otherwise be or become payable at any time in connection with the VPS Notes. References to such amounts will include (but are not limited to) amounts that have become due and payable, but which have not been paid, prior to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority;

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

Relevant Regulator means the NFSA and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or (in the case of Restricted Senior Preferred VPS Notes and Senior Non-Preferred VPS Notes) the Relevant Resolution Authority (if applicable), in any case as determined by the Issuer;

Relevant Resolution Authority means the (or each) resolution authority with the ability to exercise any Norwegian Statutory Loss Absorption Powers in relation to the Issuer;

Relevant Screen Page means the page, section or other part of a particular information service (including, without limitation, the Reuters Money 3000 Service) specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person

providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Senior Creditors means (a) depositors of the Issuer and (b) all unsubordinated creditors of the Issuer (including, *inter alios*, holders of Senior Preferred VPS Notes other than creditors in respect of any Non-Preferred Parity Securities and any Statutory Non-Preferred Claims, if any);

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

Statutory Non-Preferred Claims means, upon Norway adopting legislation introducing a senior non-preferred ranking class as prescribed by Article 108(2) of the BRRD (as amended by Directive (EU) 2017/2399 of the European parliament and the Council of 12 December 2017 amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy), unsecured claims resulting from debt instruments that meet the following conditions:

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

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

Use of Proceeds

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes.

Norwegian Finans Holding ASA and Bank Norwegian AS

Introduction

The group currently consists of Norwegian Finans Holding ASA (**Norwegian Finans Holding**), Bank Norwegian AS (**Bank Norwegian**) and Lilienthal Finance Ltd. (**Lilienthal Finance** and together with Norwegian Finans and Bank Norwegian, the **Group**). Both Bank Norwegian and Lilienthal Finance are wholly owned subsidiaries of Norwegian Finance Holding which is listed on the Oslo Stock Exchange under the ticker NOFI. The Group's commercial name is Bank Norwegian. The Group offers banking services in the form of consumer loans, credit cards and deposits to retail customers in the Nordic market through Bank Norwegian. The operations in Sweden, Denmark and Finland are established through cross-border operations by Bank Norwegian.

Norwegian Finans Holding entered into agreements on 2 May 2019 to acquire all the shares in Lilienthal Finance (incorporated in Ireland) and, through Lilienthal Finance, all rights to the Norwegian brand for banking services and access to customers in Europe (excluding the Nordic region). There are currently no operations in Lilienthal Finance other than ongoing preparations for starting a banking business in Europe.

Incorporation, registered office and registration number

Norwegian Finans Holding is a public limited liability company (*allmennaksjeselskap*) organised under Norwegian law, including the Norwegian Public Limited Liabilities Companies Act. Norwegian Finans Holding's business register number is 991 281 924. It was incorporated on 5 June 2007 and registered with the Norwegian Register of Business Enterprises on 16 July 2007.

Bank Norwegian is a limited liability company (*aksjeselskap*) organised under Norwegian law, including the Norwegian Private Limited Liability Companies Act. Bank Norwegian's business register number is 991 455 671. It was incorporated on 23 May 2007 and registered with the Norwegian Register of Business Enterprises on 23 May 2007.

As of 31 March 2020, Norwegian Finans Holding's registered share capital was NOK 186,694,779 divided into 186,694,779 shares, each with a nominal value of NOK 1. All of the shares are authorised and fully paid. Norwegian Finans Holding has one class of shares, each share carrying equal voting rights at General Meetings. Its Articles of Association do not provide for limitations on the transferability or ownership of shares.

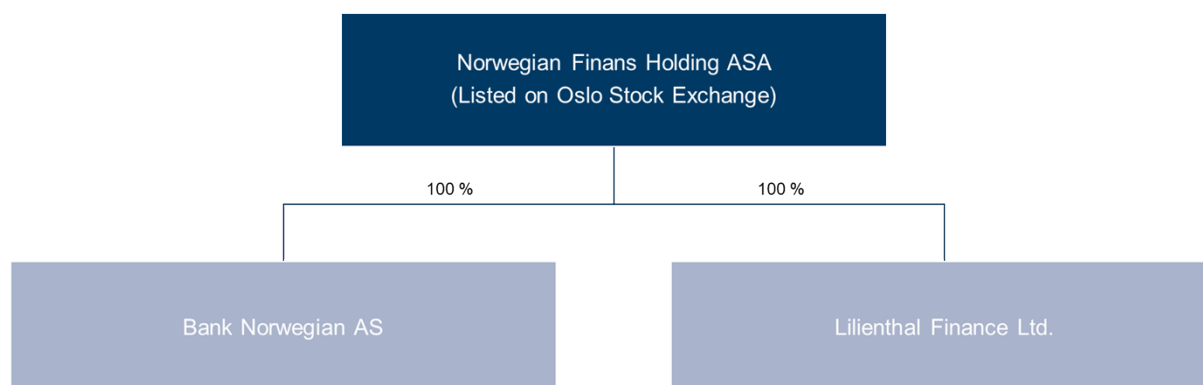
As of 31 March 2020, Bank Norwegian's registered share capital was NOK 183,314,658 divided into 183,314,658 shares, each with a nominal value of NOK 1. All of the shares are authorised and fully paid.

Bank Norwegian has one class of shares, each share carrying equal voting rights at General Meetings. Its Articles of Association do not provide for limitations on the transferability or ownership of shares.

Norwegian Finans Holding and Bank Norwegian have their registered office at Snarøyveien 36, NO-1364 Fornebu, Norway and may be reached via tel. +47 23 36 16 99.

Legal structure

The legal structure of the Group is set out below:



Norwegian Finans Holding acts as a holding company with activities only in place to manage and provide funding to Bank Norwegian and Lilienthal Finance. In addition to this, the main activities of Norwegian Finans Holding include

maintenance of corporate directorate, governance and shareholder interface, meeting listing requirements and compliance.

Brief history and development

The below table briefly outlines the most important events and developments throughout the history of the Group:

Date	Important events
May 2007	Bank Norwegian (<i>f/k/a</i> Norwegian Prosjekt 01 AS) is incorporated, with a paid-in equity of NOK 30 million
June 2007	Norwegian Finans Holding is incorporated
September 2007	Bank Norwegian is granted a banking license by the Ministry of Finance (<i>Finansdepartementet</i>)
October 2007	Norwegian Finans Holding successfully completes a NOK 240 million stock issue at NOK 2 per Share
November 2007	Bank Norwegian launches operations with 30,000 pre-registered credit card customers. The product offering consists of unsecured consumer instalment loans, “Norwegian Reward” credit cards issued on behalf of Terra Kort, demand deposit account and savings deposit account, all offered through the internet
August 2008	Residential mortgage loan product are ready for launch, but it is scrapped due to the financial crisis
April 2009	Bank Norwegian reaches profitability
June 2009	Bank Norwegian launches electronic customer ID solution and fully automated loan application process
September 2009	Bank Norwegian launches first application credit score card based on own customer data
December 2009	Bank Norwegian launches mobile banking solution
December 2009	Bank Norwegian issued a BBB shadow credit rating by DNB
April 2010	Norwegian Finans Holding successfully completes a NOK 40 million equity issue to fund commencement of own credit card issuing business
April 2010	Bank Norwegian launches own credit card business in co-operation with the airline Norwegian. Most customers on Terra Kort’s balance sheet migrate to Bank Norwegian
March 2011	Bank Norwegian reaches 100,000 customers
May 2011	Bank Norwegian issues first senior unsecured bond with a maturity of three years
January 2012	Bank Norwegian launches first behavioural score card based on customer performance data
September 2012	Bank Norwegian reaches 200,000 customers
December 2012	Bank Norwegian issued a BBB+ shadow credit rating by DNB
May 2013	Bank Norwegian launches operations in Sweden offering credit card in co- operation with the airline Norwegian
August 2013	Bank Norwegian launches consumer loans in Sweden
October 2013	Bank Norwegian launches savings deposit account in Sweden
December 2013	Bank Norwegian reaches 300,000 customers

December 2013	Bank Norwegian issues subordinated debt and hybrid capital
April 2014	Bank Norwegian launches responsive design and device independent internet platform
June 2014	The Norwegian Finans Holding stock registered on the NOTC A list at NOK 17.25 per share
July 2014	Bank Norwegian reaches 400,000 customers
October 2014	Swedish operations of Bank Norwegian reaches profitability
December 2014	Sale of portfolio of non-performing loans for NOK 168.3 million
May 2015	Bank Norwegian reaches 500,000 customers
December 2015	Bank Norwegian launches operations in Denmark and Finland simultaneously, offering unsecured consumer instalment loans and savings deposit account
April 2016	Norwegian Finans Holding issues NOK 300 million in equity in a private placement and announces a subsequent equity issue up to NOK 40 million to take place during June 2016
April 2016	Norwegian Finans Holding announces intent to list the share on Oslo Børs, aiming for June 2016
April 2016	Norwegian Finans Holding reaches a market capitalisation exceeding NOK 12 billion according to the registration on the NOTC A list
June 2016	Bank Norwegian launch of credit card in co-operation with the airline Norwegian in Denmark and Finland
June 2016	Norwegian Finans Holding listed on the OSE
November 2016	Erik Jensen, CEO of the bank since inception, resigns
January 2017	Bank Norwegian launches mobile App
February 2017	Bank Norwegian reaches 1,000,000 customers
February 2017	Norwegian Finans Holding issues NOK 500 million in equity in a private placement
March 2017	Bank Norwegian is assigned a credit rating of BBB by S&P Global Ratings
April 2017	Tine Wollebekk is appointed CEO
April 2018	The mobile App surpasses 1,000,000 monthly logins
October 2018	The mobile App surpasses 1,500,000 monthly logins
November 2018	Bank Norwegian reaches 1,500,000 customers
December 2018	Sale of non-performing loans portfolio with a gross balance totalling NOK 1,522 million in Finland
December 2018	Norwegian Finans Holding enters into an agreement to acquire 40 per cent. of Lilienthal Finance Ltd with the intention of applying for an EU banking licence in Ireland. Lilienthal Finance Ltd holds all rights to the Norwegian brand for banking services and access to customers in Europe.
May 2019	Norwegian Finans Holding acquires the remaining 60 per cent. of the shares in Lilienthal Finance Ltd.

August 2019	12 years after inception of the bank, Norwegian Air Shuttle ASA sells its remaining shareholding in Norwegian Finans Holding to Cidron Xingu Limited, a company indirectly controlled by Nordic Capital and Sampo plc., which becomes the largest shareholder with 16.7 per cent. ownership stake.
August 2019	The Group announces the initiation of the process (the Exploratory Phase) with the Central Bank of Ireland to apply for an EU banking licence in Ireland.
November 2019	Bank Norwegian reaches 1,700,000 customers
March 2020	Nordic Capital announces that it has, through Cidron Xingu Ltd., increased its ownership stake in Norwegian Finans Holding. Sampo and Nordic Capital collectively own 22.7 per cent. of the company.
June 2020	The Exploratory Phase concludes with the Central Bank of Ireland recommending that the Group does not advance to the draft application phase at this point in time.

Agreements with Norwegian Air Shuttle

Introduction

The agreements described in this section constitute all the contractual relations between Bank Norwegian and Norwegian Air Shuttle (or its subsidiaries). Some of the agreements have been renewed or extended, but the material terms have remained the same from time to time. The agreements described in this section are material and may be regarded as being outside the ordinary course of business.

License Agreement

Effective from 1 January 2014, Bank Norwegian and NAB, a wholly-owned subsidiary of Norwegian Air Shuttle, have entered into a trademark license agreement (the **License Agreement**) pursuant to which Bank Norwegian is granted a right to use the following intellectual property rights (the **IPR**)

- (i) “the mark/combined brand “Norwegian”, also in combination with “bank” or any compounded words”; and
- (ii) “designs and graphical design of websites according to the pattern that Norwegian Air Shuttle uses at any time”.

Bank Norwegian may, however, only use the license in relation to its activities in the bank sector.

Neither of the parties to the License Agreement may terminate except in certain situations (for example, in the case of a material failure by the other party to meet its obligations pursuant to the License Agreement).

The License Agreement includes terms and conditions typical to arrangements of the same or similar nature. The License Agreement has been renewed and extended for a term of ten (10) years from 20 June 2018 and covers Norway, Sweden, Denmark and Finland. Following that 10-years’ period, the parties shall renegotiate the size of the consideration payable to NAB (such renegotiation to take place every fifth anniversary).

Reward Agreement

Bank Norwegian and Norwegian Air Shuttle have, with effect from 1 January 2014, entered into a reward agreement (the **Reward Agreement**). According to the Reward Agreement, Bank Norwegian became a joint venture partner of “Norwegian Reward” – a loyalty program where members earn “CashPoints”.

As a joint venture partner of “Norwegian Reward”, “CashPoints” may be earned through the use of Bank Norwegian’s credit card, and which may then be used to purchase airline tickets with Norwegian Air Shuttle. Neither of the parties to the Reward Agreement may terminate except in certain situations (for example, in the case of a material failure by the other party to meet its obligations pursuant to the Reward Agreement). Otherwise, the Reward Agreement includes terms and conditions typical to arrangements of the same or similar nature.

The Reward Agreement has been renewed and extended for a term of ten (10) years from 20 June 2018 and covers Norway, Sweden, Denmark and Finland. Following that 10-years’ period, the parties shall renegotiate the size of the consideration payable to Norwegian Air Shuttle (such renegotiation to take place every fifth anniversary).

Norwegian Air Shuttle Agency Agreements

Effective from 1 January 2013, Bank Norwegian and Norwegian Air Shuttle entered into two agency agreements (each a **Norwegian Air Shuttle Agency Agreements** and, together the **Norwegian Air Shuttle Agency Agreements**) pursuant to which Norwegian Air Shuttle shall act as an exclusive agent for Bank Norwegian for the marketing, distribution and sale of:

- (i) credit cards to existing and new customers of Norwegian Air Shuttle in Norway, Sweden, Denmark and Finland; and
- (ii) financing of flights purchased by Norwegian Air Shuttle's customers (in Norway and Sweden).

Norwegian Air Shuttle's duties under the Norwegian Air Shuttle Agency Agreements are limited to the marketing, distribution and sale of the products described in (i) and (ii) above, and any contractual relation resulting from such marketing, distribution and sale is solely and exclusively between Bank Norwegian and the customer in question. Bank Norwegian and Norwegian Air Shuttle have agreed to temporarily suspend the Norwegian Air Shuttle Agency Agreement relating to the marketing, distribution and sale of the products described in (ii) above.

Generally, the Norwegian Air Shuttle Agency Agreements includes terms and conditions typical to arrangements of the same or similar nature.

Each Norwegian Air Shuttle Agency Agreement was renewed and extended for a term of ten (10) years from 20 June 2018. Following that 10-year period, the parties shall renegotiate the entirety of the Norwegian Air Shuttle Agency Agreements. Prior to that tenth anniversary, neither of the parties may terminate the agreement, except in the event that: (i) a party materially fails to perform its obligations, or (ii) the Reward Agreement is terminated.

Strategy

Introduction

Bank Norwegian bases its strategy on a focused approach with a limited and simple product offering distributed through the internet in the Nordic countries operating from a centralised location and with highly automated processes.

The strategy is based on five pillars:

Leading e-commerce solutions

Sales and marketing

Bank Norwegian directs its sales efforts mostly towards effective and efficient use of online marketing. Through its strong online marketing capability, Bank Norwegian has gained a market share of 18.2 per cent. in the market for unsecured lending in Norway. Bank Norwegian has successfully penetrated the other Nordic markets with market shares of 10.6 per cent. in Finland, 6.0 per cent. in Denmark and 4.6 per cent. in Sweden¹. To supplement its own distribution, Bank Norwegian also employs agent distribution. In addition, Bank Norwegian has added to its strong loan growth by successfully executing direct mail campaigns.

Convenient loan application and on-boarding process

The application process is quick and convenient once a prospective customer has submitted the online application form to Bank Norwegian, and a short "time to yes" and "time to cash" is critical. The application process has few steps and provides the customer with an instant credit decision and loan terms. Depending on the product applied for and individual credit assessment, the applicant can either easily furnish requested documentation or receive the loan amount directly.

Synergies with Norwegian Air Shuttle

Strong brand name

The airline Norwegian has been a fast growing airline with a strong brand name, providing passengers with affordable direct flights to popular destinations with a modern fleet of aircrafts in large parts of the world. Bank Norwegian has been able to leverage off of the airline's strong market position and brand recognition. Bank Norwegian has the same operations footprint as the airline Norwegian, based on e-commerce, automated processes and low- cost, and has a license to use the brand Norwegian etc. for a term of ten (10) years from 20 June 2018 in Norway, Sweden, Denmark and Finland.

The impact of COVID-19 on Norwegian Air Shuttle

COVID-19 travel restrictions resulted in 85 per cent. of Norwegian Air Shuttle's flights cancelled by mid-March 2020. The company's fleet capacity was reduced by 95 per cent. and around 7,650 employees were furloughed. Only 7 aircrafts have been in operation, offering a reduced state-subsidized schedule domestically in Norway. In May 2020, Norwegian Air Shuttle announced a successful financial restructuring process, giving it access to Tranche 2 and 3 of Norway's State Aid Package, which improved its prospects.

¹ All market shares based on company estimates, published market data from relevant authorities in respective countries.

The future of Norwegian Air Shuttle, as well as the airline industry in general, is highly uncertain. The airline industry is amongst the industries most impacted by COVID-19. The months ahead will remain challenging and with a high degree of uncertainty for the industry. Investors should make their own assessment and research for further updates on the current operational and financial position of Norwegian Air Shuttle.

Large customer base

The airline Norwegian has an extensive customer base that is susceptible to the Bank's market communication and products. Bank Norwegian is benefitting from coordinated marketing activities to promote both the credit card and loyalty program.

Strong incentive in loyalty credit card

Bank Norwegian is the exclusive distributor of "Norwegian Reward" credit card in Norway, Sweden, Denmark and Finland, where customers earn cash points by airline ticket purchases and all other credit card purchases. The redemption of cash points is fully flexible and convenient.

Attractive customer terms

Bank Norwegian offers instalment loans at competitive individually risk-based prices, whereas credit cards have set interest rates. The pricing varies between markets. Instalment loans are offered with terms up to 15 years (depending on the market), giving the customers flexibility to set affordable loan payments. Deposits are attractively priced in order to remain a reliable and stable source of funding for the Bank.

Low-cost operations

Automated processes

Bank Norwegian's low-cost operations are predicated on a high degree of automated processes. Due to its economies of scale and operating leverage, it is able to enter new markets and grow rapidly with a limited need to hire more employees.

Self service

Bank Norwegian's service concept, with a limited and simple product offering, is to enable the customers to serve themselves, thus reducing the requirement for an extensive customer service operation.

Low-cost culture

In addition to being run based on a cost efficient business model with automation and self-service, Bank Norwegian is permeated by a low-cost culture and tight cost control, and its incentive model covering all employees makes sure that all stakeholders' incentives are aligned.

Effective and efficient risk selection

Automated risk selection

Bank Norwegian's credit process starts with the customers filling in an online loan application. Data is then automatically collected from multiple sources, and the system provides an automated credit decision and offer calculation. Customer identification and collection of customer documentation is done electronically. There is a manual documentation control and loan disbursement.

Advanced credit models

Bank Norwegian is basing its credit decisions on regression based score card models developed using proprietary customer data. It also utilises advanced credit systems for developing, simulating and testing of credit policies, risk classification as well as risk metrics calculations. The system is extensively used to automatically identify existing customers that qualify for topping up their loans or higher credit limits.

Recent developments

Bank Norwegian experienced a decline in demand for credit cards in the interim period from 1 January 2020 to 31 March 2020. This was mainly due to lower spending related to COVID-19.

COVID-19 and the resulting partial shutdown of Nordic societies has led to a sharp drop in economic activity, which has been countered by decisive government measures to soften the impact on the economies. The reduction in mortgage interest rates and increase in payment holidays have also provided debt service relief for families.

It is still too early to predict how the highly uncertain effects of COVID-19 will affect the Group. As of the date of this Base Prospectus, there is limited evidence in observed customer behaviour that indicates a significant increase in credit risk (SICR). Furthermore, the drop-off in economic activity has led to a sharp increase in unemployment, which is expected to culminate in higher credit losses.

Depending on the duration and severity of the economic downturn, the resulting fall in private consumption is expected to result in lower credit card purchase volumes and reduced demand for instalment loans. Loan volumes may also fall as consumers prioritize to reduce indebtedness.

Although uncertain, the proposed temporary interest rate cap legislation in Finland is also expected to reduce loan volumes once adopted.

The Group has maintained normal operations and underwriting of credit throughout the crisis and will continue to support its customers.

On 26 June 2020, the Group announced that the exploratory phase for authorisation as a credit institution with the Central Bank of Ireland, initiated in October 2019, had concluded and that the Central Bank of Ireland recommended that the Group does not advance to the draft application phase at this point in time. The Central Bank of Ireland considered the significant and evolving effects of the Covid-19 pandemic, Bank Norwegian's loan portfolio, Bank Norwegian's funding base and Bank Norwegian's limited product suite, all areas which Bank Norwegian's management is continuously monitoring. Bank Norwegian agrees with the Central Bank of Ireland that the current timing to proceed is not optimal. A decision on submission will be evaluated based on a running analysis of costs, benefits and timing of strategic options for European expansion. Bank Norwegian will closely monitor the effects of Covid-19 as part of the evaluation.

Reference is made to Risk Factors 1-A (*Risks relating to the Issuers' business and operations*).

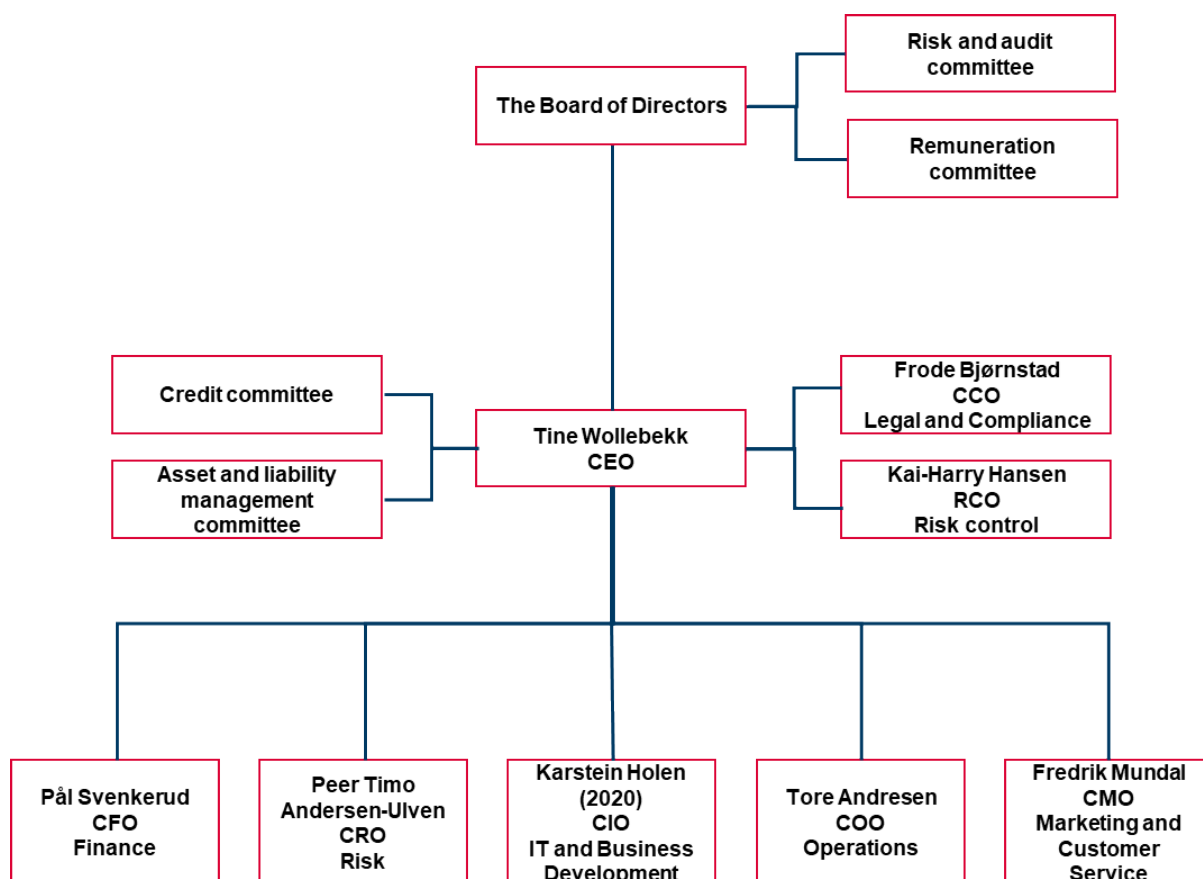
Board of directors, management and employees

Introduction and overview

As described above, the Group consists of Norwegian Finans Holding as the holding company, while the banking business is performed by Bank Norwegian. Norwegian Finans Holding holds all the shares in Bank Norwegian.

Each of the entities has a board of directors. The composition of the board of directors is not the same in the two companies, although there is significant overlap. With respect to senior management, only Bank Norwegian has a complete team of senior managers. Norwegian Finans Holding has only one employee, being the CEO, who is also the CEO of Bank Norwegian.

The following chart sets out Bank Norwegian’s organisational structure:



Overview

The relationship between the board of directors of Norwegian Finans Holding and Bank Norwegian has been regulated in a board of directors’ instruction (the **Board Instruction**) adopted by the Board of Directors of Norwegian Finans Holding. It follows from the Board Instruction that the Board of Directors of Norwegian Finans Holding shall notify the board of directors of Bank Norwegian about circumstances relevant for the Group as a whole. The Board of Directors shall also notify the board of directors of Bank Norwegian of resolutions that may be of relevance for the subsidiary, prior to any final resolution being resolved upon.

The following table sets forth, as the date of this Base Prospectus, the directors of Norwegian Finans Holding and Bank Norwegian, and the number of shares beneficially owned by each director as of the date of this Base Prospectus. No share options have been issued.

Name	Position BoD Norwegian Finans Holding ASA	Position BoD Bank Norwegian AS	Has served since	Term expires	Shares held in Norwegian Finans Holding ASA²
Klaus-Anders Nysteen	Chairman	Chairman	2020	2022	5,500
John E. Høsteland		Board Member	2007	2022	30,000
Anita Marie Hjerkin Aarnæs	Board member		2019	2021	0
Christine Rødsæther	Board member	Board member	2017	2021	75,754
Lars Ola Kjos		Board member	2013	2021	2,964,900
Kjetil Andreas Garstad	Board member		2019	2021	959
Knut Arne Alsaker	Board member		2019	2021	0
Izabella Kibsgaard-Petersen	Board member	Board member	2020	2022	0
Hans Torsten Georg Larsson	Board member	Board member	2020	2020	0
Anders Gullestad		Board member*	2016	2020	0
Charlotte Ager		Deputy board member*	2020	2022	100

* Elected by the employees

** The shares are held by Green 91 AS, a company in which Lars Ola Kjos owns 100 per cent. of the shares.

² As of 5 June 2020.

Description of the members of the Board of Directors of Norwegian Finans Holding ASA and Bank Norwegian

The boards of directors consist of the following members:

Klaus-Anders Nysteen, Chairman of the Board

Born in 1966. Member of the Board of Directors since 2020.

Principal education: Master of Science in Business Administration, Norwegian School of Economics (NHH).

Holding of shares: 5,500

Brief biography: Klaus-Anders Nysteen has been CEO of Hoist Finance since March 2018. He has previously worked in, among others, Nordic Capital, Lindorff Group, Entra Eiendom AS and Statoil Fuel & Retail ASA and as CEO at Storebrand Bank ASA. He has extensive experience from a number of board positions, among others in Webstep ASA and Asset Buyout Partner AS.

Other on-going principal assignments: Member of the board of Asset Buyout Partner AS.

John E. Høsteland, Chairman of the Board

Born in 1947. Member of the Board of Directors since 2007.

Principal education: Dr. Scient. in Economics, Norwegian University of Life Sciences at Ås.

Holding of shares: 30,000

Brief biography: John E. Høsteland owns of JH Consult, through which he offers advisory services targeted at the corporate market. He has previously held the role of CEO in a number of companies including Høegh Capital Management AS, Skogbrand Forsikring, First Securities ASA and Elcon Securities ASA, among others. Mr. Høsteland is a member of the board of directors of Høegh Capital Partners ASA, Guardian Corporate AS and First Fondene AS.

Other on-going principal assignments: Self-employed owner of JH Consult, and member of the boards of directors of, inter alia, Aberdeen Eiendomsfond Norden/Baltikum ASA, Høegh Capital Partners AS, Guardian Corporate AS and First Fondene AS.

Anita Marie Hjerkin Aarnæs, Board member

Born in 1950. Member of the Board of Directors since 2007.

Principal education: Master of Public Administration, Harvard University.

Holding of shares: 0

Brief Biography: Anita Hjerkin Aarnæs is an experienced manager with broad international know-how, a comprehensive track record in business development, strategic planning and operational performance cross industries. Her current position is Managing Partner Scandinavia at The Board Practice. Prior to this she served as the HR Director at DNO ASA, as Partner-in Charge at Heidrick & Struggles and TripleA Consulting AS and as management consultant at PA Consulting Group for 20 years.

Other on-going principal assignments: Chairman of the board of TripleA Consulting AS. Member of the nomination committee at DNO ASA.

Christine Rødsæther, Board member

Born in 1964. Member of the Board of Directors since 2017.

Principal education: Master of Law, University of the Pacific, Sacramento, California and Cand. Jur., University of Bergen.

Holding of shares: 75,754

Brief Biography: Christine Rødsæther has since 2002 been a partner in the law firm Simonsen Vogt Wiig AS and has extensive experience in banking and finance, contract law as well as shipping and offshore. She has previous experience from Wikborg, Rein & Co. and Andersen Legal ANS.

Other on-going principal assignments: Board member of Odfjell SE and Tide ASA. Member of the Governments counsel for maritime development (MARUT).

Lars Ola Kjos, Board member

Born in 1978. Member of the Board of Directors since 2013.

Principal education: Bachelor of Science in business administration finance, University of Denver.

Holding of shares: 3,964,900

Brief Biography: Lars Ola Kjos previously held position as VP of Norwegian Reward and Business Development for non-air project at Norwegian including the airline's Bank Norwegian project.

Other on-going principal assignments: Chairman of the board of directors of Green 91 AS and Executive Vice President Commercial at Arctic Aviation Assets Ltd where he works with aircraft purchasing, financing and leasing.

Knut Arne Alsaker, Board member

Born in 1973. Member of the Board of Directors since 2019.

Principal education: Master of Science in Economics and Business Administration from the Norwegian School of Economics.

Holding of shares: None

Brief Biography: Knut Arne Alsaker has been Group Chief Financial Officer of Sampo Group since 2019 and a member of the Group Executive Committee since 2014. He previously held various positions in Storebrand ASA (1998-2000) and If P&C Insurance Ltd (2000-2018).

Other on-going principal assignments: Board member of If P&C Insurance Holding Ltd and the vice chairman of the board of Mandatum Life Insurance Company Limited.

Hans Larsson, Board member

Born in 1961. Member of the Board of Directors since 2020.

Principal education: Bachelor of Science in Administration and Economics from the University of Uppsala and Advanced Management Program from INSEAD.

Holding of shares: None

Brief Biography: Hans Larsson has been a banking professional and advisor for more than 30 years. Hans Larsson is experienced in executive management, as well as supervisory board roles, risk management, regulatory and decision making within listed as well as privately owned institutions. He has vast international experience primarily from Germany, USA, UK and Central/Eastern Europe. He previously held management positions at Skandinaviske Enskilda Banken and Lindorff Group.

Other on-going principal assignments: Hans Larsson is currently and independent advisor to banks, insurance companies, private equity funds among others.

Izabella Kibsgaard-Petersen, Board member

Born in 1968. Member of the Board of Directors since 2020.

Principal education: Law degree from the University of Oslo and certified international auditor from BI Norwegian Business School.

Holding of shares: None

Brief Biography: Izabella Kibsgaard-Petersen has more than 15 years of experience in compliance, risk management and internal audit. She currently works as SVP Director of compliance at Veidekke ASA. In recent years, Izabella Kibsgaard-Petersen has worked with a comprehensive approach to business management and how functions such as compliance, risk management and internal auditing can contribute to good governance and control for value creation. She previously held positions at the Garantiinstituttet for eksportkreditt, Abbott / AbbVie and KPMG.

Other on-going principal assignments: Member of the board and board representative in the compliance network of IIA Norge.

Kjetil Garstad, Board member

Born in 1976. Member of the Board of Directors since 2019.

Principal education: Master of Science in business administration, Norwegian School of Economics.

Holding of shares: None

Brief Biography: Kjetil Garstad has been an analyst at Stenshagen Invest AS since 2014. From 2007 to 2013, Garstad was an analyst at Arctic Securities AS and before that at Enskilda Securities AB. Between 2001 and 2003, Garstad worked in the corporate finance department of UBS in London.

Other on-going principal assignments: Member of the board of Protector Forsikring and Øgreid AS. Deputy board member of B2Holding ASA.

Anders Gullestad, Board member (elected by the employees)

Born in 1977. Member of the Board of Directors since 2016.

Principal education: Master of Science in Business, Nord University Business School.

Holding of shares: None

Brief Biography: Anders Gullestad has been employed at the Bank since 2007. Is currently employed as Risk Manager and has previously worked at the back office department and the credit department.

Other on-going principal assignments: None

Charlotte Ager, Deputy Board member (elected by the employees)

Born in 1987. Member of the Board of Directors since 2020.

Principal education: Master of Law, University of Copenhagen

Holding of shares: 100

Brief Biography: Charlotte Ager has been employed at the Bank since 2019. She is currently employed as an analyst in the department for disputes and financial crime and is a part of the AML team.

Other on-going principal assignments: None

The senior management

Overview

The following table sets forth, as per the date of this Base Prospectus, the senior management of Bank Norwegian and the number of shares beneficially owned by each member of the senior management (no options are held):

<u>Name</u>	<u>Position</u>	<u>Shares held in Norwegian Finans Holding ASA</u>
Tine Gottlob Kirstan Wollebekk	CEO	54,207
Pål Svenkerud	CFO	965,296
Tore Andresen	COO	1,072,019
Fredrik Mundal	CMO	27,971
Peer Timo Andersen-Ulven	CRO	7,307
Kartein Holen	CIO	100
Kai-Harry Hansen	Head of Risk Management	7,000

Frode Bergland Bjørnstad

Chief Legal and
Compliance Officer

3,847

Norwegian Finans Holding has only one employee, being the CEO, Tine Gottlob Kirstan Wollebekk, who is also the CEO of Bank Norwegian.

Description of the Senior Management team

The Group's senior management consists of the following persons:

Tine Gottlob Kirstan Wollebekk, chief executive officer

Born in 1962. Chief executive officer and employed since June 2017.

Principal education: Master of science in business administration, Copenhagen Business School.

Holding of shares: 54,207

Brief biography: Tine Gottlob Kirstan Wollebekk has been employed as CEO in Bank Norwegian since June 2017, and has 31 years of financial services experience. Prior to joining Bank Norwegian Mrs. Wollebekk worked as Senior Vice President and Global Head of Financial Services at Telenor (2012-2016), country manager at SEB Norway (2007-2010), CEO of SEB Cards Norway (1999-2010) and CMO and other management positions at Diners Club Nordic and SEB Cards (1989-1999). Board member of Andvord Tybring- Gjedde ASA (2004-2007), Goodtech ASA (2011-2013), Gjensidige ASA (2014-2017) and Telenor Kapitalforvaltning AS (2014-2017).

Other on-going principal assignments: Board member of Ekornes ASA since 2017 and MøllerGruppen AS / Aars AS since 2011.

Pål Svenkerud, chief financial officer

Born in 1962. Chief Financial Officer and employed since 2007

Principal education: Bachelor of arts in business administration, University of Oregon, MBA in finance, University of Denver, and European Certified Financial Analyst, Norwegian School of Economics

Holding of shares: 965,296

Brief biography: Pål Svenkerud has been employed as CFO of Bank Norwegian since its inception in 2007, and has 29 years of financial services experience. Prior to joining Bank Norwegian, Mr. Svenkerud worked as CFO in Teller AS (2005-2007). Earlier assignments include management positions in Storebrand (1994-2005), hereunder as Chief Risk Officer (CRO) and CFO at Storebrand Bank, and analyst positions at Procorp ASA (1993-1994) and U.S. Bancorp (1988-1992).

Other on-going principal assignments: Chairman at Emerald Invest AS

Tore Andresen, chief operating officer

Born in 1965. Chief Operating Officer and employed since June 2009

Principal education: Associate degree in business administration, Norwegian School of Economics

Holding of shares: 1,072,019

Brief biography: Tore Andresen has been employed as COO in Bank Norwegian since 2009, and has 30 years of financial service experience. Prior to joining Bank Norwegian, Mr. Andresen worked as Managing Director at Aktiv Kapital Norge (2007-2008) and Managing Director at Lindorff Decision (2001-2006). Mr. Andresen has also experience of board assignments, hereunder as board member of Lindorff Match AS (2005-2006), board member of Aktiv Kapital Danmark AS (2007-2008) and chairman of the board of Aktiv Kapitaladministrasjon AS (2007-2008).

Other on-going principal assignments: None

Fredrik Mundal, chief marketing officer

Born in 1976. Chief Marketing Officer and employed since 2007

Principal education: Bachelor in Business Administration and IT, University of Agder

Holding of shares: 27,971

Brief biography: Fredrik Mundal has been employed as CMO of Bank Norwegian since end of 2016. He has been with the Bank since 2007 in previous positions as Head of Customer Service and Product Manager of Credit Cards and as Head of Credit. He has 15 years of financial services experience. Prior to joining Bank Norwegian, Mr. Mundal was employed at SEB Kort Credit Department (2003-2007).

Other on-going principal assignments: None

Peer Timo Andersen-Ulven, chief risk officer

Born in 1970. Chief Risk Officer and employed since January 2018

Principal education: Pre PhD in Quantitative Finance, Norwegian School of Economics (NHH)

Holding of shares: None

Brief biography: Peer Timo Andersen-Ulven has been employed as CRO of Bank Norwegian since January 2018 and was engaged as the Bank's Program Manager for IFRS 9 implementation since October 2017. He has 22 years of financial services experience. Prior to joining Bank Norwegian, Mr. Andersen-Ulven was a Partner at Financial Risk Management at KPMG (2016-2017). Earlier assignments include Program Manager for IRB- A at Santander Consumer Finance (2007-2015), Consultant at Capgemini (2004-2007), Capital Adequacy modeling for Fairprice (2000-2004), Corporate Finance at Aker Fonds (1999-2000), and Corporate Finance Analyst at Norse Securities (1996-1999).

Other on-going principal assignments: None

Karstein Holden, chief information officer

Born in 1971. Chief Information Officer and employed since March 2020.

Principal education: Bachelor in Computer Science from Bergen College of Engineering and MBA from Edinburgh Business School, Heriot-Watt University.

Holding of shares: 100

Brief biography: Mr. Holden has been employed as Chief Information Officer (CIO) in Bank Norwegian since March 2020, and has more than 20 years of experience working with IT within financial services and telecom. Prior to joining Bank Norwegian, Mr. Holden worked 12 years in various IT positions at Norge Bank Investment Management (NBIM), most recently as Head of IT for the Real Estate investment branch in NBIM. Earlier assignments include DBA at NetCom (1999-2007) and database developer at EDB-Konsulent AS (1997-1999) and ATM AS (1995-1997).

Other on-going principal assignments: None

Frode Bergland Bjørnstad, chief legal and compliance officer

Born in 1976. Chief legal and compliance Officer and employed since May 2018.

Principal education: Cand Jur (master of Law) University of Bergen

Holding of shares: 3,847

Brief biography: Frode Bjørnstad has been the Chief legal and compliance officer in Bank Norwegian since May 2018. He has 16 years of legal commercial experience within privacy, compliance, financial services, IPR, marketing, commercial contracts, IT and tech. Prior to Bank Norwegian, Mr. Bjørnstad was a lawyer and legal counsel in EVRY (2011-2018), where he also was a member of the financial control committee for EVRY Card Service's payment service. Earlier assignments include external lawyer in Føyen Torkildsen (2006-2011) and Legal adviser in the Norwegian Data Protection Authority - Datatilsynet (2004-2006).

Other on-going principal assignments: None

Kai-Harry Hansen, head of risk management

Born in 1981. Head of risk management and employed since August 2019.

Principal education: Master's degree in Economics and Business Administration, University of Tromsø (UiT). Practical Pedagogical Education (Lecturer), UiT.

Holding of shares: 7,000

Brief biography: Mr. Hansen has been employed as Head of Risk Management of Bank Norwegian since August 2019. He has more than 10 years of risk experience from the banking sector. Prior to joining Bank Norwegian, Mr. Hansen was Risk Manager at SpareBank 1 Østlandet (2017-2019) and SpareBank 1 Oslo Akershus (2010-2017). Earlier assignments include working as a Risk Analyst at SpareBank 1 Oslo Akershus (2008-2010) and as a Corporate Trainee at SpareBank 1 Gruppen (2006-2008). Mr. Hansen has also been teaching Martial Arts (Aikido and Kenjutsu) regularly since 2001, and economics at high school as part of his Practical Pedagogical education (2003-2004).

Other on-going principal assignments: None

Each member of the board and senior management may be contacted at the registered business address of Bank Norwegian, Snarøyveien 36 1364 Fornebu, Bærum, Norway.

Other directorships and management positions

Over the five years preceding the date of this Base Prospectus, the members of the board of directors and the senior management hold or have held the following directorships and/or partnerships (apart from in the Group):

<u>Directors of the Board</u>	<u>Current directorships and senior management positions</u>	<u>Previous directorships and senior management positions last five years</u>
Klaus Anders Nysteen	CEO of Hoist Finance. Board member Webstep ASA (until AGM 2020) and Asset Buyout Partner AS	Worked in, among others, Nordic Capital, Lindorff Group, Entra Eiendom AS and Statoil Fuel & Retail ASA. CEO at Storebrand Bank ASA. A number of board positions, among others in Webstep ASA and Asset Buyout Partner AS.
John Einar Høsteland	Board member at Høst Verdien i Avfall AS, Tekas AS and First Fondene AS	CEO Agasti Holding ASA, Chairman of the board Agasti Holding ASA.
Anita Hjerkin Aarnæs	Board member Triple A Consulting AS. Member of the election Committee in DNO ASA.	CEO of Silver Pensjonsforsikring. Chairman of the board of Idun.
Lars Ola Kjos	Executive Vice President at Arctic Aviation Commercial Assets Ltd. Chairman of the board of directors of Green 91 AS. Board member of HBK Holding ASA, other boards.	Vice President of Norwegian Reward
Christine Rødsæther	Partner at Simonsen Vogt-Wiig. Boardmember Odjfell SE.	None
Kjetil Garstad	Board member Protector Forsikring ASA, Øgreid AS, Gaming Innovation Group, Vininor and Steel City.	Board member B2 Holding ASA
Izabella Kibsgaard-Petersen	Compliance Director, Veidekke ASA. Board member IIA Norge (until June 2020). Board representative in compliance network, IIA Norge (until June 2020). Board member Majorstuveien 28.	Head of corporate governance and compliance, GIEK.

Knut Arne Alsaker	CFO Sampo Group Oy. Board member If P&C Insurance Holdign Ltd. Deputy Chairman of the Board Mandatum Life Insurance Company Ltd.	None
Hans Larsson	Founder and CEO of Linderyd Advisory AB. Chairman of the board in Intrum Justitia AB, Nordnet AB, Nordnet Bank AB and Swedish Export Credit Corporation.	None
Anders Gullestad	None	None
Charlotte Ager	None	None

<u>Management:</u>	<u>Current directorships/partnerships</u>	<u>Previous directorships/partnerships past five years</u>
<u>Tine Gottlob Kirstan Wollebekk</u>	None	Senior Vice President and Global Head of Financial Services at Telenor ASA. Board member of Goodtech ASA, Gjensidige ASA and Telenor Kapitalforvaltning AS.
Pål Svenkerud	Chairman at Emerald Invest AS	None
Tore Andresen	None	None
Fredrik Mundal	None	None
Peer Timo Andersen-Ulven	None	Partner at KPMG, CFO Higher Ed AS, Managing Director Atlas Shrugged Advisory AS
Karstein Holen	None	None
Frode Bergland Bjørnstad	None	None
Kai-Harry Hansen	None	None

The Nomination Committee

Bank Norwegian and Norwegian Finans Holding has a joint nomination committee consisting of three members elected by the Annual General Meetings for a two-year term.

The Nomination Committee currently consists of Knut Gillesen (chair), Beret Sundet and Robert Furuhjelp, and all the members of the Nomination Committee are independent of the boards of directors and the day-to-day management.

The Nomination Committee's duties are (i) to propose to the general meeting candidates for election to Norwegian Finans Holding and Bank Norwegian's board of directors, and (ii) to propose remuneration to the members of the board of Norwegian Finans Holding and Bank Norwegian.

Conflict of interests

Lars Ola Kjos is a board member of and an indirect shareholder of Bank Norwegian via his 100 per cent ownership in Green 91 AS. He is also a board member of HBK Holding AS which has historically been a significant owner of shares in Norwegian Air Shuttle. He is currently employed by Norwegian Air Shuttle.

Norwegian Air Shuttle has entered into certain agreements with Bank Norwegian, such as the Reward Agreement and the Norwegian Air Shuttle Agency Agreements. Further, Norwegian Air Shuttle is the parent company of Norwegian Brand Limited (**NAB**) who is a party to the License Agreement with Bank Norwegian.

In the event of actual or potential conflicting interests between Bank Norwegian and Norwegian Air Shuttle for instance connected to the Reward Agreement, the Norwegian Air Shuttle Agency Agreements or the License

Agreement (indirectly through NAB). Lars Ola Kjos may have conflicts of interest due to his ownership positions in both Norwegian Air Shuttle and Norwegian Finans Holding.

There are no other conflicts of interest between any commitments to the Issuer by any members of the board of directors or senior management and their private interests and other duties.

Convictions for fraudulent offences, bankruptcy, etc.

None of the members of Bank Norwegian's board of director or management have during the last five years preceding the date of this Base Prospectus:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

Remuneration and benefits

Remuneration of the board of directors

The remuneration of the members of the board of directors of Bank Norwegian is determined on a yearly basis by Bank Norwegian's annual general meeting.

It is understood, and resolved each year by each Group company's annual general meeting, that any remuneration shall cover directorships in both Norwegian Finans Holding and Bank Norwegian, provided that the relevant person is a director in both companies.

The members of Bank Norwegian's board of directors may also be reimbursed for, *inter alia*, travelling, hotel and other expenses incurred by them in attending meetings of the directors or in connection with the business of the company.

A member of Bank Norwegian's board of directors who has been given a special assignment in relation to the Bank's business, other than in his or her capacity as such, and which furthermore is not within the normal duties as a board member, may be paid such extra remuneration for such work as Bank Norwegian's board of directors may determine.

Board compensation for each of the years 2019 and 2018 was as follows:

Board of directors of Norwegian Finans Holding ASA and Bank Norwegian

<i>(Amounts in NOK 1000)</i>	2019	2018
Bjørn Østbø	600	-
John Høsteland	625	250
Bjørn H. Kise	50	500
Anita Marie Hjerkin Aarnæs	325	250
Christine Rødsæther	325	175
Gunn Isabel Westerlund Ingemundsen	250	-
Lars Ola Kjos	325	250
Rolv-Erik Spilling	300	-
Ninett R. Olsen	15	50
Anders Gullestad	50	-
Brede Huser	0	225
Frode Foss	0	125

Remuneration of the management

Overview and description: the total compensation to the members of the senior management shall be annually approved by the board of directors and may consist of a base salary, variable compensation, pension and insurance schemes, fringe benefits and severance pay.

The variable compensation consists of individual grants of shares in Norwegian Finans Holding compliant with regulations regarding compensation schemes in financial institutions. The bank's remuneration program has been in existence since 2010 and the terms of the remuneration program (performance metrics and profit allocation) are reviewed, amended and extended every three years. The following additional parameters apply for the variable compensation:

- variable compensation is based upon a combination of risk-adjusted return on equity for the Bank and non-financial metrics for the executive and the unit;
- annual share allocation amounts to a maximum of 2.25 per cent. of annual risk-adjusted net income after tax;
- executives are granted right of disposal of the shares three years after each grant; includes up to 1 million shares for the entire three-year period.

At the grant of shares, there will be entered into agreements with the relevant employees, such agreements to be in accordance with general market conditions.

The members of the senior management are included in the regular pension and insurance scheme for all employees. Pension and insurance schemes consist of a defined contribution pension and personal insurance. The CEO has the same pension plan as the other employees, except that the age limit for that office has been set at 65 years and, as a consequence, the Bank shall pay 70 per cent. of the last annual salary from the age of 65 to 67 (inclusive).

The management team may, as part of their total compensation, be awarded other benefits than base salary in accordance with market conditions. These benefits are defined as company car, home office, free telephone, mobile phone and newspapers/magazines.

Compensation paid to the members of the senior management in 2019

Management compensation for the financial year ended 31 December 2019 was as follows (the compensation paid to Tine Gottlob Kirstan Wollebakk covers her position as CEO in both Issuer Companies):

<i>Amounts in NOK 000</i>						Number of Shares awarded in 2018	
	Salary	Bonus	Benefits	Pension costs	Severance pay	Total	
Tine Gottlob Kirstan Wollebakk, CEO	3,468	1,488	253	123	-	5 332	16,250
Pål Svenkerud, CFO	2,365	1,018	208	123	-	3 713	12,525
Fredrik Mundal, CMO	1,698	724	126	123	-	2 671	9,224
Tore Andresen, COO	2,187	926	173	123	-	3 409	11,314
Merete Eikeseth Gillund, CIO	2,143	769	172	123	-	3 208	15,808
Peer Timo Andersen-Ulven, CRO	1,886	356	146	123	-	2 510	7,307
Total	13,746	5,280	1 078	738	-	20 843	61,098

Pension obligations and option schemes

All the employees are covered by Bank Norwegian's defined contribution pension scheme offered by Storebrand. The pension costs are accounted for on a monthly basis and paid to Storebrand. No provisions for pension liabilities are made in the accounts. The Bank has no pension or retirement benefits for members of the boards.

The Issuer has no option scheme for employees or members of the boards.

Loans and guarantees

No loans have been given by Bank Norwegian to, or guarantees given on the behalf of, any members of the management, the boards or other elected corporate bodies.

Employees

All the employees of the Issuer are employed only by Bank Norwegian. The only exemption is Tine Gottlob Kirstan Wollebakk, who is CEO of both Norwegian Finans Holding and Bank Norwegian. As of the date of this Base Prospectus, Bank Norwegian has 85 employees, all based at Bank Norwegian's office at Snarøyveien 36 at Fornebu in Norway.

Details of the key management personnel are described in "*The senior management of Bank Norwegian*" above. In addition to the senior management team of eight people, a staff of eleven covers finance and accounting, the market department has twenty-nine employees, seven people comprise the risk department, seven people are responsible for IT services and the remaining twenty-three cover general operations.

The table below illustrates the development in number of employees over the last years for Bank Norwegian, as per the end of each calendar year 2019, 2018, 2017, 2016 and 2015:

Year	As of date	Total
2019	31 December	85
2018	31 December	78
2017	31 December	72
2016	31 December	69
2015	31 December	64

Book entry settlement in respect of VPS Notes

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of VPS currently in effect. The information in this section concerning VPS has been obtained from sources that the Issuers believe to be reliable, but neither of the Issuers nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of VPS are advised to confirm the continued applicability of the rules, regulations and procedures of VPS. Neither of the Issuers nor any other party to the VPS Trustee Agreements, VPS Agency Agreements or the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the VPS Notes held through the facilities of VPS or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

VERDIPAPIRSENTRALEN (VPS)

Verdipapirsentralen ASA is a Norwegian public limited liability company which is licensed to register financial instruments in Norway in accordance with the Act of 5 July 2002 no. 64 on the Registration of Financial Instruments (the **VPS Act**). The VPS Act requires that, among other things, all notes and bonds issued in Norway shall be registered in the VPS (the **VPS Securities**), except notes and bonds (i) issued by Norwegian issuers outside Norway and (A) denominated in Norwegian Kroner with subscription limited to non-Norwegian tax residents only or (B) denominated in a currency other than Norwegian kroner, or (ii) issued by foreign issuers in a currency other than Norwegian kroner.

From 1 January 2020, the VPS Act has been repealed and replaced by the CSD Act, which implements Regulation (EU) No. 909/2014 into Norwegian law. However, transitional rules have been passed to allow the VPS to operate under the old rules in the VPS Act until such time when VPS has been authorised as a CSD under the CSD Act/CSDR.

VPS is a paperless securities registry and registration of ownership, transfer and other rights to financial instruments are evidenced by book entries in the registry. Any issuer of VPS Securities will be required to have an account (issuer's account) where all the VPS Securities are registered in the name of the holder and each investor is required to have her/his own account (investor's account) showing such person's holding of VPS Securities at any time. Both the issuer and the investor will, for the purposes of registration in the VPS, have to appoint an account operator which will normally be a Norwegian bank or Norwegian investment firm.

It is possible for investors to register a holding of VPS Securities through a nominee approved by the NFSA.

Taxation

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuers' country of incorporation, may have an impact on the income that an investor receives from the Notes.

NORWAY

The following is a general description of certain Norwegian tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Norway of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Taxation on Interest

Interest paid to a non-resident holder of Notes will not be subject to Norwegian income or withholding tax. Such holder of Notes may, however, be subject to taxation if the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway or managed from Norway. Such tax liability may be modified through an applicable tax treaty.

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

Taxation of Capital Gains

A non-resident holder of Notes is not taxed in Norway on gains derived from the sale, disposal or redemption of the Notes. Such holder of Notes may, however, be subject to taxation if the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway or managed from Norway. Such tax liability may be modified through an applicable tax treaty.

Wealth Tax

Norway does not levy any property tax or similar taxes on the Notes.

An individual non-resident holder of Notes is not subject to wealth tax, unless the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway or managed from Norway. Such tax liability may be modified through an applicable tax treaty.

Transfer Tax

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

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as **FATCA**, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuers are foreign financial institutions for these purposes. A number of jurisdictions, including Norway, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as Notes, including whether withholdings would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA, or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes 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 (including by reason of a substitution of the relevant Issuer). However, if additional

Notes (as described under “*Terms and Conditions of the Notes other than VPS Notes – Further Issues*” and “*Terms and Conditions of the VPS Notes – Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Subscription and Sale

The Dealers have, in an amended and restated programme agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 2 July 2020, agreed with the Issuers a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*”, “*Terms and Conditions of the Notes other than VPS Notes*” and “*Terms and Conditions of the VPS Notes*”. In the Programme Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The arrangements under which Notes may from time to time be agreed to be sold by an Issuer to, and purchased by, Dealers are set out in the Programme Agreement. Any such agreement will *inter alia* make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Programme Agreement makes provision for the resignation or renewal of existing Dealers and the appointment of additional Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

UNITED STATES

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

The Notes (other than VPS Notes) are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. In the case of Notes other than VPS Notes, the applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA or in 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 (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of 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; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

UNITED KINGDOM

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

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

NORWAY

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the relevant Issuer has confirmed in writing to each Dealer that the Base Prospectus has been filed with the Financial Supervisory Authority of Norway, it has not, directly or indirectly, offered or sold and will not directly or indirectly, offer or sell any Notes in Norway or to residents of Norway, other than:

- (a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of not less than €100,000 per investor; or
- (b) to “professional investors” as defined in Section 7-1 cf. Sections 10-2 to 10-5 in the Norwegian Securities Regulation of 29 June 2007 no. 876; or
- (c) to fewer than 150 natural or legal persons (other than “professional investors”) as defined in Section 7-1 in the Norwegian Securities Regulation of 29 June 2007 no. 876), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer; or
- (d) in any other circumstances provided that no such offer of Notes shall result in a requirement for the registration, or the publication by the Issuer or Issuers or the Dealer or Dealers of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

The Notes shall be registered with the VPS in dematerialised form or in another central securities depository which is properly authorised and recognised by the Financial Supervisory Authority of Norway as being entitled to register the Notes pursuant to Regulation (EU) No 909/2014, unless (i) the Notes are denominated in NOK and offered or sold outside of Norway to non-Norwegian tax residents only, or (ii) the Notes are denominated in

a currency other than NOK and offered or sold outside of Norway. See also the selling restriction “*Prohibition of Sales to EEA and UK Retail Investors*” above.

GENERAL

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither of the Issuers nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers or the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

General Information

AUTHORISATION

The update of the Programme was duly authorised by (i) a resolution of the board of directors of Bank Norwegian AS dated 22 March 2018; and (ii) a resolution of the board of directors of Norwegian Finans Holding ASA dated 22 June 2020.

LISTING OF NOTES

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to Euronext Dublin for Notes issued under the Programme to be admitted to the official list of Euronext Dublin and to trading on the Regulated Market of Euronext Dublin. Application has also been made to the Oslo Børs ASA for Notes issued under the Programme to be admitted to trading on the Oslo Stock Exchange's Regulated Market. Each of the Regulated Market of Euronext Dublin and the Oslo Stock Exchange's Regulated Market is a regulated market in the EEA for the purposes of MiFID II.

DOCUMENTS AVAILABLE

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from <https://www.banknorwegian.no/OmOss/InvestorRelations/Prospectus>:

- (a) the constitutional documents of each Issuer;
- (b) the Agency Agreement, the Deeds of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons, the Talons, the VPS Trustee Agreements and the VPS Agency Agreements;
- (c) a copy of this Base Prospectus; and
- (d) any future Base Prospectuses, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

Any English translation referred to in (a) above constitutes an accurate and direct translation of the Norwegian original.

CLEARING SYSTEMS

The Notes have been accepted for settlement through Euroclear and Clearstream, Luxembourg.

The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to settle through an additional or alternative clearing system (including the VPS) the appropriate information will be specified in the applicable Final Terms. Euroclear, Clearstream, Luxembourg and the VPS are the entities in charge of keeping the records.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1 855 Luxembourg. The address of the VPS is Fred. Olsens gate 1, 0152 Oslo, Norway.

CONDITIONS FOR DETERMINING PRICE

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

YIELD

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

SIGNIFICANT OR MATERIAL CHANGE

There has been no significant change in the financial performance or financial position of either of the Issuers since 31 March 2020 and no material adverse change in the prospects of either of the Issuers since 31 December 2019.

LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either of the Issuers is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of either of the Issuers.

AUDITORS

For the Issuers' financial years ended 31 December 2018 and 31 December 2019 PricewaterhouseCoopers AS (**PwC**) was appointed as the independent auditor of the Issuers. PwC is a member of The Norwegian Institute of Public Accountants (*Den Norske Revisorforening*).

The Issuers rotated their auditors following completion of their annual audits for the financial year ended 31 December 2019. Accordingly, the Issuers appointed Deloitte AS (**Deloitte**) as their independent auditor effective as of 29 April 2020. Deloitte is a member of The Norwegian Institute of Public Accountants (*Den Norske Revisorforening*).

PwC audited the Bank Annual Report 2019, the Bank Annual Report 2018, the Holding Annual Report 2019 and the Holding Annual Report 2018, in each case in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (**ISAs**). The independent auditor's reports of the Bank Annual Report 2019, the Bank Annual Report 2018, the Holding Annual Report 2019 and the Holding Annual Report 2018 have, in each case, been issued without qualifications.

The Bank Quarterly Report 2020 and the Holding Quarterly Report 2020 incorporated by reference into this Base Prospectus have been subject to an auditor review of interim financial statements by Deloitte in accordance with IAS 34.

DEALERS TRANACTING WITH THE ISSUERS

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, each of the Issuers and their affiliates in the ordinary course of business.

LANGUAGE OF THIS BASE PROSPECTUS

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

URLS

References to websites or uniform resource locators (**URLs**) are inactive textual references and are included for information purposes only. Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Base Prospectus.

IRISH LISTING AGENT

Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in connection with the Programme and is not itself seeking admission of the Notes issued under the Programme to the Official List or trading on the Regulated Market of Euronext Dublin for the purposes of the Prospectus Regulation.

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