



SPAR NORD BANK A/S
(incorporated as a public limited liability company in Denmark)

€2,000,000,000
Euro Medium Term Note Programme

Under this €2,000,000,000 Euro Medium Term Note Programme (the “**Programme**”), Spar Nord Bank A/S (the “**Issuer**”, “**Spar Nord Bank**” or the “**Bank**”) may from time to time issue notes (the “**Notes**”), which may be (i) preferred senior notes (“**Preferred Senior Notes**”), (ii) non-preferred senior notes (“**Non-Preferred Senior Notes**”), or (iii) subordinated and, on issue, constituting Tier 2 Capital (as defined in the Terms and Conditions of the Notes) (“**Subordinated Notes**”) as indicated in the relevant Final Terms (as defined below) or Pricing Supplement (as defined below), as applicable. Notes may be denominated in any currency (including euro) agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed €2,000,000,000, subject to any increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 7 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue of Notes or on an ongoing basis (each, a “**Dealer**” and together, the “**Dealers**”). References in this Prospectus to the “**relevant Dealer**” shall, in the case of an issue of Notes being (or intended to be) subscribed by one or more Dealers, be to all Dealers agreeing to purchase such Notes. The Issuer has reserved the right to issue Notes to persons other than Dealers.

This Prospectus has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes that are to be admitted to trading on the regulated market (the “**Regulated Market**”) of the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) or on another regulated market for the purposes of Directive 2014/65/EU (as amended) (“**MiFID II**”) and/or that are to be offered to the public in any member state of the European Economic Area 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 Prospectus to be admitted to its official list (the “**Official List**”) and trading on the Regulated Market. References in this Prospectus to the Notes being listed (and all related references) shall mean that, unless otherwise specified in the relevant Final Terms, the Notes have been admitted to the Official List and trading on the Regulated Market.

This Prospectus 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 European Economic Area (the EEA) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. References in this Prospectus to “**Exempt Notes**” are to Notes for which no prospectus is required to be published under the Prospectus Regulation. The Central Bank of Ireland has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Notes.

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

Copies of Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of the Issuer. In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the “**Pricing Supplement**”).

The Notes issued under the Programme will be issued in uncertificated dematerialised book entry form and settled through either VP Securities A/S (the “**VP**”) (“**VP Notes**”) or Verdipapirsentralen ASA (the “**VPS**”) (“**VPS Notes**”) as specified in the relevant Final Terms or Pricing Supplement, as applicable.

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

The Issuer has been rated A1 (long term unsecured rating) and P-1 (short term unsecured rating) by Moody’s Investors Service (Nordics) AB (“**Moody’s**”).

For the purposes of Regulation (EC) No. 1060/2009 on credit rating agencies (as amended) (the “**CRA Regulation**”), the credit ratings included or referred to in this Prospectus have been issued by Moody’s. Moody’s is established in the EU and is registered under the CRA Regulation. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms or Pricing Supplement, as applicable. The ratings may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Prospectus.

Arranger
Danske Bank
Dealers

Danske Bank
SEB

Nykredit Bank A/S
Spar Nord

Dated 13 November 2019

This Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation and for the purposes of giving information with regard to the Issuer together with its consolidated subsidiaries (the “**Spar Nord Bank Group**” or the “**Group**”) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. When used in this Prospectus, “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

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

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”).

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 Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

To the fullest extent permitted by law, none of the Dealers and the Arranger accepts any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme.

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

The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Norway, Sweden and Denmark) and Japan (see “*Subscription and Sale*”).

The Notes have not been and will not be registered under the United States Securities Act 1933, as amended, (the “**Securities Act**”). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to US persons (see “*Subscription and Sale*”).

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies; (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “Stabilisation Manager(s)”) (or any person acting on behalf of any Stabilisation Manager(s)) 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 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Managers (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

All references in this document to “**U.S.\$**” and “**US dollars**” are to the lawful currency of the United States of America, those to “**Sterling**” and “**GBP**” are to the lawful currency of the United Kingdom, those to “**DKK**” are to the lawful currency of Denmark, “**CHF**” are to the lawful currency of Switzerland and those to “**euro**”, “**EUR**” or “**€**” are 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 from time to time).

BENCHMARKS REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. 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 relevant 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 the European Securities and Markets Authority (“**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 relevant 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 Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

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

A determination will be made in relation to each issue of Notes 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 purposes of the MiFID Product Governance Rules.

IMPORTANT – EUROPEAN ECONOMIC AREA RETAIL INVESTORS

If the relevant Final Terms or Pricing Supplement, as applicable, in respect of any Notes includes a legend entitled “Prohibition of Sales to European Economic Area 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. 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; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

IMPORTANT – PURSUING LIQUIDATION OR BANKRUPTCY CLAIMS AGAINST THE ISSUER IN DENMARK

The Issuer is incorporated in Denmark. If proceedings with respect to the liquidation or bankruptcy of the Issuer should occur, the holders of a relevant Series of Notes would be required to pursue their claims on such Notes in proceedings with respect to the Issuer in Denmark. To the extent that the relevant Noteholders are entitled to any recovery with respect to such Notes in any such Danish bankruptcy proceedings, such Noteholders would be entitled to a recovery in Danish Kroner. In the case of Notes denominated in a currency other than Danish

Kroner, such recovery in Danish Kroner would be based on the relevant conversion rate of Danish Kroner to such currency in effect on the date the Issuer entered into such liquidation or bankruptcy proceedings.

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GENERAL DESCRIPTION OF THE PROGRAMME AND THE TERMS AND CONDITIONS OF THE NOTES

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency (including euro), subject as set out herein. An overview of the Programme and the Conditions appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Conditions incorporated by reference into the Notes, as completed by the relevant Final Terms or Pricing Supplement, as applicable incorporated by reference into the Notes.

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this document and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms or Pricing Supplement, as applicable. Words and expressions defined in the Conditions shall have the same meanings in this overview.

Issuer	Spar Nord Bank A/S
Issuer Legal Entity Identifier (LEI)	549300DHT635Q5P8J715
Description	Euro Medium Term Note Programme
Arranger	Danske Bank A/S
Dealers	Danske Bank A/S Nykredit Bank A/S Skandinaviska Enskilda Banken AB (publ) Spar Nord Bank A/S
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> ”).
Irish Listing Agent	Maples and Calder
VP Issuing Agent for VP Notes	Spar Nord Bank A/S (being authorised by the VP to process and register issues in the system operated by the VP).
VPS Issuing Agent for VPS Notes	Danske Bank A/S (being authorised by the VPS to process and register issues in the system operated by the VPS).
Programme size	Up to €2,000,000,000 outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement (as defined below).
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, such currencies as may be agreed between the Issuer and the relevant Dealer as indicated in the relevant Final Terms or Pricing Supplement, as applicable.

Issue price

Notes shall 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

Notes may be issued under the Programme in uncertificated dematerialised book entry form, settled through the VP (“**VP Notes**”) or through the VPS (“**VPS Notes**”) as may be specified in the relevant Final Terms or Pricing Supplement, as applicable. VP Notes and VPS Notes will be in dematerialised form and will not be evidenced by any physical note or document of title.

Ownership of VP Notes will be recorded in the book entry system maintained by VP and transferred through the securities settlement system maintained by VP. Settlement of the VP Notes may take place on either the VP settlement platform or on the TARGET2 Securities (“**T2S**”) platform if the required conditions for T2S settlement as set out in VP’s settlement rules are fulfilled. The T2S platform provides harmonised and commoditised delivery-versus-payment settlement in central bank money.

Notes issued through VP will be negotiable instruments which are not subject to any restrictions on their free negotiability within Denmark.

Ownership of VPS Notes will be recorded in the book entry system maintained by VPS and transferred through the securities settlement system maintained by VPS. Settlement of the VPS Notes will take place on the VPS settlement platform. Any such Notes settled on the VPS settlement platform must comply with the Norwegian Act on Registration of Financial Instruments of 5 July 2002 No. 64 and the rules of the VPS, in each case as amended or replaced from time to time, and the holders of such Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the applicable legislation as well as the terms and conditions in effect from time to time of the VPS.

Notes issued through the VPS will be negotiable instruments which are not subject to any restrictions on their free negotiability within Norway.

Status of Notes:

The Notes may be Preferred Senior Notes, Non-Preferred Senior Notes or Subordinated Notes, as specified in the relevant Final Terms or Pricing Supplement, as applicable.

Preferred Senior Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank:

- (i) *pari passu* without any preference among themselves;
- (ii) save for such exceptions as may be provided by applicable legislation, at least *pari passu* with all other outstanding senior, unsecured and unsubordinated obligations of the Issuer, present and future; and

- (iii) senior to any Non-Preferred Senior Obligations of the Issuer as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

The Non-Preferred Senior Notes on issue will constitute Non-Preferred Senior Obligations of the Issuer.

Non-Preferred Senior Notes will constitute direct and unsecured debt obligations of the Issuer, and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Non-Preferred Senior Notes (including any other Non-Preferred Senior Obligations of the Issuer), in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to holders of the Ordinary Shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Non-Preferred Senior Notes, or any obligations pursuant to section 98 of the Danish Bankruptcy Act, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) depositors of the Issuer, (b) unsubordinated creditors of the Issuer pursuant to section 97 of the Danish Bankruptcy Act, and (c) any other unsubordinated creditors of the Issuer that are not creditors in respect of Non-Preferred Senior Obligations of the Issuer, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

Subordinated Notes (in Danish: “*kapitalbeviser*”) on issue will constitute Tier 2 Capital of the Issuer.

Subordinated Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Tier 2 Capital and (b) any other

obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

- (iii) senior to holders of the Ordinary Shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes including any Junior Securities, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer (including any Non-Preferred Senior Obligations) and (c) subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Subordinated Notes.

Maturities:

Notes may be issued having any maturity, subject to such minimum or maximum maturity as may be allowed or required from time to time by the Relevant Regulator or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

As at the date of this Prospectus:

- (i) the CRR provides that, to be treated as Tier 2 Capital, each Tranche of Subordinated Notes must have an original maturity of at least five years; and
- (ii) section 13(3) of the Danish Act on Recovery and Resolution of certain Financial Businesses provides that, to rank as Non-Preferred Senior Obligations, each Tranche of Non-Preferred Senior Notes must have an original maturity of at least one year.

Redemption:

Subject to any purchase and cancellation or early redemption, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date.

Specified Denomination:

Notes will be issued in such denominations as may be specified in the relevant Final Terms or Pricing Supplement, as applicable, 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 and save that in respect of Notes other than Exempt Notes either (i) all trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of €100,000 or (ii) the minimum specified denomination of each Note will be €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant

date of issue in such other currency).

Fixed Rate Notes:

Fixed Rate Notes will bear interest at a fixed rate of interest specified in the relevant Final Terms or Pricing Supplement, as applicable, and will be payable in arrear on the date or dates in each year specified in the relevant Final Terms or Pricing Supplement, as applicable.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR, EURIBOR CIBOR, STIBOR or NIBOR (subject, if applicable, to the benchmark replacement provisions in the Conditions) as adjusted for any applicable margin,

in each case, all as specified in the relevant Final Terms or Pricing Supplement, as applicable.

Interest periods will be specified in the relevant Final Terms or Pricing Supplement, as applicable, and interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms or Pricing Supplement, as applicable.

Reset Notes:

Reset Notes will have reset provisions pursuant to which the relevant Notes will, in respect of an initial period, bear interest at an initial fixed rate of interest specified in the relevant Final Terms or Pricing Supplement, as applicable. Thereafter, the fixed rate of interest will be reset on one or more date(s) by reference to a mid-market swap rate or a rate based on the yield for an identified government bond or certain government bonds (in each case relating to the relevant Specified Currency), and for a period equal to the Reset Period, as adjusted for any applicable margin, in each case as may be specified in the relevant Final Terms or Pricing Supplement, as applicable. Interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms or Pricing Supplement, as applicable.

Interest Periods and Interest Rates:

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms or Pricing Supplement, as applicable.

Optional redemption (Issuer call):

The relevant Final Terms or Pricing Supplement, as applicable, will state whether the relevant Notes may be redeemed prior to their stated maturity at the option of the Issuer and, if so, the terms applicable to such redemption. Any such redemption shall (in the

case of Non-Preferred Senior Notes and Subordinated Notes only) be subject to the provisions of Condition 6(k) (*Conditions to redemption etc. prior to the Maturity Date*) to the extent it is applicable.

Optional redemption (Noteholder put) (Preferred Senior Notes only):

In the case of Preferred Senior Notes only, the relevant Final Terms or Pricing Supplement, as applicable, will state whether the relevant Notes may be redeemed prior to their stated maturity at the option of the Noteholders and, if so, the terms applicable to such redemption.

Redemption for tax reasons (Preferred Senior Notes only):

In the case of a Series of Preferred Senior Notes only, early redemption will be permitted at the option of the Issuer for tax reasons as described in Condition 6(c)(i) (*Redemption for tax reasons*).

Redemption upon the occurrence of a Tax Event (Non-Preferred Senior Notes and Subordinated Notes only):

In the case of a Series of Non-Preferred Senior Notes or Subordinated Notes only, early redemption will be permitted at the option of the Issuer upon the occurrence of a Tax Event as described in Condition 6(c)(ii) (*Redemption for tax reasons*) and subject to the provisions of Condition 6(k) (*Conditions to redemption etc. prior to the Maturity Date*).

Redemption upon the occurrence of a Capital Event (Subordinated Notes):

In the case of a Series of Subordinated Notes only, subject to the provisions of Condition 6(k) (*Conditions to redemption etc. prior to the Maturity Date*), redemption will be permitted at the option of the Issuer upon the occurrence of a Capital Event as described in Condition 6(d) (*Redemption upon the occurrence of a Capital Event*).

Redemption upon the occurrence of a MREL/TLAC Disqualification Event (Non-Preferred Senior Notes only):

In the case of a Series of Non-Preferred Senior Notes only, if so specified in the relevant Final Terms or Pricing Supplement, as applicable, early redemption will be permitted at the option of the Issuer upon the occurrence of a MREL/TLAC Disqualification Event as described in Condition 6(e) (*Redemption upon the occurrence of a MREL/TLAC Disqualification Event*) and subject to the provisions of Condition 6(k) (*Conditions to redemption etc. prior to the Maturity Date*).

Substitution and variation (Subordinated Notes only):

In the case of a Series of Subordinated Notes only, if a Capital Event and/or a Tax Event has/have occurred and is/are continuing, the Issuer may subject to the provisions of Condition 6(k) (*Conditions to redemption etc. prior to the Maturity Date*), at its option, substitute all (but not some only) of such Notes, or vary the terms of all (but not some only) of such Notes without any requirement for the consent or approval of the holders of such Notes, so that they become or remain Qualifying Subordinated Notes.

Substitution and variation (*Non-Preferred Senior Notes only*):

In the case of a Series of Non-Preferred Senior Notes only, if a MREL/TLAC Disqualification Event and/or a Tax Event has/have occurred and is/are continuing, the Issuer may, if so specified in the relevant Final Terms or Pricing Supplement, as applicable, subject to the provisions of Condition 6(k) (*Conditions to redemption etc. prior to the Maturity Date*), at its option, substitute all (but not some only) of such Notes or vary the terms of all (but not some only) of such Notes, without any requirement for the consent or approval of the holders of such Notes, so that they become or remain Qualifying Non-Preferred Senior Notes.

Negative pledge

None.

Enforcement Events in relation to Non-Preferred Senior Notes and Subordinated Notes:

In relation to Non-Preferred Senior Notes and Subordinated Notes, there will be enforcement events relating only to non-payment (allowing a Noteholder to institute proceedings in Denmark in order to recover the amounts due from the Issuer to such Noteholder) and the liquidation or bankruptcy of the Issuer, provided that a Noteholder may not itself file for the liquidation or bankruptcy of the Issuer.

Meetings of Noteholders and modifications:

The Notes contain provisions for convening and holding a Noteholders' Meeting or instigating a Written Procedure, as described in further detail in Condition 13 (*Decisions by Noteholders*), Condition 14 (*Noteholders' Meeting*) and Condition 15 (*Written Procedure*) to consider matters affecting the interests of the holders of a Series of Notes generally. These provisions permit defined majorities to bind all holders of such Series including holders of such Series who did not vote at the relevant meeting or reply in a Written Procedure and holders of such Series who voted or replied in a manner contrary to the majority.

The Issuer may also, subject to Condition 6(k) (*Conditions to redemption etc. prior to the Maturity Date*) in the case of Non-Preferred Senior Notes and Subordinated Notes, make any modification to the relevant Series of Notes which is not prejudicial to the interests of the holders of such Series without the consent of the holders of such Series. Any such modification shall be binding on the holders of such Series.

Ratings:

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is to be rated, the applicable rating(s) will be specified in the relevant Final Terms or Pricing Supplement, as applicable.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.

Taxation:

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within

Denmark or any authority therein or thereof having power to tax, unless the withholding or deduction is required by law. In that event, the Issuer shall, save in certain limited circumstances provided in Condition 8 (*Taxation*), be required to pay Additional Amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

In the case of Non-Preferred Senior Notes and Subordinated Notes only, and notwithstanding the foregoing, the payment of Additional Amounts by the Issuer will be limited to payments of interest only.

Governing law and jurisdiction:

Save as provided in the sentence that follows, the Conditions and the Notes shall be governed by, and construed in accordance with, Danish law. If the Securities Depository is VPS, Conditions 3(b) (*Transferability and Title*) and 19 (*Notices*) are governed by, and shall be construed in accordance with, Norwegian law.

The courts of Denmark shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Conditions and the Notes.

Listing and admission to trading:

Application has been made to Euronext Dublin for Notes issued under the Programme (other than Exempt Notes) to be admitted to the Official List and admitted to trading on the Regulated Market. A Series of Notes may also be unlisted or not admitted to trading on any market or may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. The relevant Final Terms or Pricing Supplement, as applicable, in respect of the issue of any Notes will specify whether or not such Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Selling restrictions:

For a description of restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Japan, Norway, Sweden and Denmark, see "*Subscription and Sale*" below.

Exempt Notes:

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

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. The Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

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

Words and expressions defined in the Conditions or elsewhere in this Prospectus have the same meanings in this section, unless otherwise stated. References to a numbered "Condition" shall be to the relevant Condition in the Conditions.

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

Risks related to the general economic and geopolitical conditions in Denmark and internationally which may have a material adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects

The business activities and performance of Spar Nord Bank Group are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are dependent on customer confidence, employment trends, state of the economy, housing market and market interest rates at the time. As Spar Nord Bank Group currently conducts the majority of its business in Denmark, its performance is influenced by the level and cyclical nature of business activity in Denmark, which is in turn affected by both domestic and international economic and political events.

Spar Nord Bank Group has no significant business in the United Kingdom, but the Spar Nord Bank Group has a number of financial counterparties in London that may be affected by Brexit. In addition, the Spar Nord Bank Group's agricultural customers and other business customers with exposure or trading relationship with the UK may be adversely affected by a so-called "hard" Brexit, where the free trade with the United Kingdom will be harmed severely.

A negative development in the general economic conditions in Denmark, such as a downturn in the economy, an increase in unemployment in Denmark or a reduction in the value of housing and other collateral provided to the Spar Nord Bank Group could have a material adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects.

Credit risk related to borrowers, counterparties and customers of the Spar Nord Bank Group which may have an adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects

Credit risk is the risk of loss that the Spar Nord Bank Group may incur as a result of borrowers or other counterparties of the Spar Nord Bank Group defaulting on their payment obligations, including the risks attaching to the Spar Nord Bank Group's customers having financial difficulties, risks relating to large exposures and concentration risks that may occur in relation to the Spar Nord Bank Group's business and risks attaching to granted, unutilised credit lines that may be provided by the Spar Nord Bank Group. Credit risk is

also the risk that the Spar Nord Bank Group may be unable to assess the credit risk of potential borrowers or other counterparties and may provide loans and advances to customers that increase the Spar Nord Bank Group's credit risk exposure more than intended. Credit risk is an inherent part of the Spar Nord Bank Group's business. Ordinary credit risk arises from the Issuer's loan portfolio and from credit lines and guarantees. Furthermore, credit risk also includes settlement and counterparty risks. Settlement risk is the risk arising when payments are settled, for instance payments for currency transactions and trading in financial instruments, including derivatives. The risk arises when the Issuer transfers payments before it has attained full assurance that the counterparty has met all its obligations. Counterparty risk is the risk of loss as a result of a customer's default of OTC derivatives and securities financing instruments. Credit risk also arises from credit investments in Spar Nord Markets in, for example, senior bonds of other highly rated financial institutions, securitisations consisting primarily of AAA residential mortgage backed securities. Market-related counterparty credit risk arises from financial instruments including fixed income, equity and other investments that the Spar Nord Bank Group owns or is in another way exposed to.

There can be no assurance that the Spar Nord Bank Group will not suffer losses from credit risk in the future that may be material in amount which could have an adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects.

Market risk related to adverse developments in market values resulting from fluctuations in interest rates, credit spreads, foreign currency exchange rates and equity and commodity prices, which may have an adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects

The Spar Nord Bank Group faces market risks as an inherent part of its business. The Spar Nord Bank Group's market risk relates to the risk of loss that the Spar Nord Bank Group may incur because of adverse developments in market values resulting from fluctuations in interest rates, credit spreads, foreign currency exchange rates and equity and commodity prices. The performance of financial markets may cause changes in the value of the Spar Nord Bank Group's investment and trading portfolios as well as affect other areas of the operations of the Spar Nord Bank Group such as the availability of funding for the Spar Nord Bank Group. A significant part of the Spar Nord Bank Group's market risk derives from changes in the value of its securities portfolio.

Any fluctuations in interest rates, foreign currency exchange rates, equity prices and fixed income prices could have an adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects.

Funding and liquidity risk related to funding costs, liquidity and refinancing risk, deposit withdrawal and access to funds which may have an adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects

Liquidity risk is the risk of loss that the Spar Nord Bank Group may incur because funding costs become excessive, a lack of funding prevents Spar Nord Bank Group from fulfilling its business model or a lack of funding prevents the Spar Nord Bank Group from fulfilling its payment obligations. Refinancing risk is the risk of the Spar Nord Bank Group not being able to refinance maturing deposits, senior debt, covered bonds or other liabilities, or the risk that the refinancing cost will be so high that it will adversely affect net interest income of the Spar Nord Bank Group.

Spar Nord Bank Group, being a financial intermediary, liquidity and refinancing risk is an inherent and unavoidable part of the Spar Nord Bank Group's banking operations. Liquidity and refinancing risk of the Spar Nord Bank Group arises from funding mismatches in the balance sheet as the average duration of Spar Nord Bank's loan portfolio is generally longer than the average duration of Spar Nord Bank's funding sources.

As a retail bank the Issuer receives a high portion of its funding from customer deposits, and therefore the Spar Nord Bank Group is also subject to the risk that its depositors could withdraw their funds at a faster rate than the

rate at which the Spar Nord Bank Group's borrowers repay their loans, thus causing liquidity strains for the Spar Nord Bank Group.

Ready access to funds is essential to any banking business, including the Spar Nord Bank Group. If the Spar Nord Bank Group is unable to access funds or to access the markets from which the Spar Nord Bank Group raises funds, it could have an adverse effect on the Spar Nord Bank Group's ability to meet its obligations as they fall due and impede the Spar Nord Bank Group's ability to finance its operations adequately. These and other factors could also lead creditors to form a negative view of the Spar Nord Bank Group's liquidity, which could result in higher borrowing costs and decreased access to various funding sources for the Spar Nord Bank Group which could have an adverse effect on Spar Nord Bank Group's business, results of operations, financial position or prospects.

Risks related to an increase in the Issuer's and/or the Spar Nord Bank Group's capital requirements, leverage ratio requirements, net stable funding ratio requirement, liquidity requirements and/or REA which could have a material adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects

The capital requirements (the minimum own funds Pillar 1 requirements, the additional own funds requirements or the individual solvency requirement/need and the combined buffer requirement) applicable to the Issuer and/or the Spar Nord Bank Group are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. There can be no assurance that any of the minimum own funds Pillar 1 requirements, additional own funds requirements or buffer capital requirements applicable to the Issuer and/or the Group will not be amended in the future to include new and more onerous capital requirements.

Regulation (EU) 2019/876 of the European Parliament and of the Council as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019 (the "**CRR Amendment Regulation**") and Directive (EU) 2019/878 of the European Parliament and of the Council as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019 (the "**CRD Amendment Directive**") introduce, among other things, a leverage ratio requirement of 3 per cent. Tier 1 Capital, harmonised binding requirement for stable funding (the "**Net Stable Funding Ratio**" or "**NSFR**") on 100 per cent., strengthening of the conditions for use of internal models and changes to the relevant regulator's application of the institution specific "Pillar 2" capital add-ons (referred to above as the additional own funds requirements). Furthermore, the CRD Amendment Directive authorises the relevant competent authority to require that the institution fulfils its additional own funds requirement with a higher portion of Tier 1 Capital or Common Equity Tier 1 Capital where necessary (while having regard to the specific circumstances of the relevant institution). The CRR Amendment Regulation and CRD Amendment Directive entered into force on 27 June 2019. The date of application of the new rules varies from the date of their entry into force and 12 months to four years after their entry into force. At the date of this Prospectus, it is still uncertain whether (and if so to what extent) the CRR Amendment Regulation and the CRD Amendment Directive will impose additional capital, liquidity and/or leverage requirements on the Issuer and/or Spar Nord Bank Group, which in turn may affect the Issuer's capacity to fulfil its obligations under the Notes.

The European Banking Authority ("**EBA**") will continue to propose detailed rules through binding technical standards, guidelines, recommendations and/or opinions in respect of many areas, including Regulation (2013/575) of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), the CRR Amendment Regulation, Directive (2013/36) of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD Directive**") and the CRD Amendment Directive. As a consequence, the Spar Nord Bank Group is subject to the risk of possible

interpretational changes. Given the uncertainty of the exact wording of the technical standards, they could potentially lead to a reduction in the regulatory capital or an increase in the REA of the Issuer and the Spar Nord Bank Group.

On 7 December 2017, the Basel Committee published its recommendations named Basel III: Finalising post crisis reforms. The reforms contain new requirements for credit risk, operational risk, CVA risk and a so called output floor which sets new minimum standards for capital requirements in financial institutions using advanced models for calculating capital requirements. Spar Nord Bank Group's REA will increase as a result of a European implementation of the Basel Committee recommendations. The exact amount with which the REA of the Spar Nord Bank Group will increase is currently unknown since the implementation has not been passed through European law yet.

There can be no assurance as to the relationship between any of the aforementioned or future incremental additional own funds requirements, the combined buffer requirement including as to the consequences for an institution, including the Issuer, of its capital levels falling below the combined buffer requirement, the additional own funds requirement and the minimum own funds requirement referred to above. If the regulatory capital requirements, leverage ratio requirements, liquidity restrictions or ratios applied to the Issuer and/or the Spar Nord Bank Group are increased in the future, any failure of the Issuer and/or the Spar Nord Bank Group to maintain such increased capital and liquidity ratios could result in administrative actions or sanctions, which could have a material adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects.

Risks related to the operations, business and reputation of the Spar Nord Bank Group which may have a material adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects

Operational risk is understood as the risk of loss that the Spar Nord Bank Group may incur which results from inefficient or deficient internal procedures in the Spar Nord Bank Group, from human or systemic errors or from external events, including legal risks. Model risk, which is the risk of loss that the Spar Nord Bank Group may incur as a consequence of decisions based mainly on output from internal models and occurring due to errors in the development, implementation or use of such models, is also defined as operational risk.

All activities of the Spar Nord Bank Group are subject to operational risk. Operational risks are categorized on the basis of the seven event types defined by Basel III: employment practices and workplace safety; external fraud; business disruption and systems failures; internal fraud; clients, products and business practice; execution/delivery and process management; and damage to physical assets.

Business risk is the risk of loss that the Spar Nord Bank Group may incur caused by changes in external circumstances or events that harm the Spar Nord Bank Group's image or operational performance. Business risk includes strategic risk and reputational risk. Strategic risk and reputational risk are the risks of loss that the Spar Nord Bank Group may incur due to external circumstances or events that could harm Spar Nord Bank's reputation or affect its earnings negatively.

Failure by the Spar Nord Bank Group to identify and manage these risks could have a material adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects.

Risks relating to the Spar Nord Bank Group becoming involved in supervisory actions, litigation and regulatory investigations which may have an adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects

The Spar Nord Bank Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks. As a result, the Spar Nord Bank Group is and may become involved in various disputes and legal proceedings in Denmark and other jurisdictions, including litigation and regulatory investigations. Further, the Spar Nord Bank Group's banking and other operations, like those of other credit

institutions, have been the subject of regulatory scrutiny from time to time. For example, the Spar Nord Bank Group is subject to applicable anti-money laundering and terrorist financing laws. The Danish Financial Supervisory Authority conducts on-going inspections from time to time of the Spar Nord Bank Group's compliance with anti-money laundering and terrorist financing laws, which can potentially lead to supervisory actions. Any such supervisory actions, disputes and legal proceedings are subject to many uncertainties, and their outcomes are often difficult to predict, particularly in the earlier stages of a case or investigation. Therefore, if the Spar Nord Bank Group become involved in supervisory actions, litigation and regulatory investigations it could have an adverse effect on Spar Nord Bank Group's business, results of operations, financial position or prospects.

Risks relating to the Spar Nord Bank's participation in the Deposit Guarantee Scheme and resolution fund which may result in the Spar Nord Bank to incur additional costs

In Denmark and other jurisdictions, deposit guarantee schemes and similar funds (each, a "**Deposit Guarantee Scheme**") have been implemented from which compensation for deposits may become payable to customers of financial services firms in the event that such financial services firm is unable to pay, or unlikely to pay, claims against it. Revised legislation regarding the Danish Deposit Guarantee Scheme redefines the Danish scheme as a premium based scheme funded by the banking sector itself, such that the participating banks' (including the Issuer) payments into the scheme will be more stable every year in profit and loss terms. The calculation of premium will be based on each participating bank's covered deposits and the relevant bank's risk profile. The premium payments will stop when a target level of 0.8 per cent. of covered deposits has been reached. No premium payments were collected in 2016, 2017 or 2018 and no premium payments are expected to be paid in 2019. In addition, the Issuer contributes to the Danish resolution fund established as the Danish resolution financing arrangement under the BRRD, which capital must amount to 1.0 per cent. of the covered deposits of all Danish credit institutions by 31 December 2024. The future target level of funds to be accumulated in Deposit Guarantee Schemes and resolution funds across different EU countries may exceed the minimum levels provided for in the BRRD, Directive 2014/49/EU, as amended from time to time, (the "**Revised Deposit Guarantee Schemes Directive**") and in EU Regulation No 806/2014, as amended from time to time and EU Regulation No 81/2015, as amended from time to time of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the latter of which will be relevant should Denmark choose to participate in the Single Resolution Mechanism). Both the BRRD and the Revised Deposit Guarantee Schemes Directive are implemented in Danish law as referred to in "*Resolution tools and powers under the BRRD*" below and by Consolidated Act no. 1155 of 19 September 2018 on Depositor and Investor Guarantee Scheme as amended from time to time.

It is still unclear whether Denmark, despite being outside the Eurozone, will join the European Banking Union and therefore be part of the Single Resolution Mechanism. It therefore remains unclear which costs the Issuer will incur in the coming year in relation to payments to deposit guarantee funds and/or resolution funds on a national or European level.

General regulatory risk related to changes in supervision and regulation which may affect the Spar Nord Bank Group's business, the products and services offered or the value of its assets

The Spar Nord Bank Group is subject to financial services laws, regulations, administrative actions and policies in Denmark and in each other jurisdiction in which the Spar Nord Bank Group carries on business. Regulatory risk is the risk that changes in supervision and regulation applicable to the Spar Nord Bank Group, in particular in Denmark, could materially affect the Spar Nord Bank 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 Issuer.

Regulatory risk may also arise from a failure by the Issuer to comply with laws and regulations, which could lead to civil liability, disciplinary action, the imposition of fines and/or the revocation of the licence, permission

or authorisation to conduct the Spar Nord Bank Group's business in the jurisdictions in which the Spar Nord Bank Group operates.

Various aspects of banking regulations are still under debate in the EU, including, *inter alia*, proposals to review standardised approaches for capital requirements for credit, market and operational risk (together with a proposed capital floor based on the revised standardised approaches for banks using internal models). Spar Nord Bank does currently not use internal models to estimate its own funds requirements, but may apply for permission to do so in the future. Furthermore, a leverage ratio requirement of 3 per cent. has been introduced by way of the CRR Amendment Regulation (see "*Risks related to an increase in the Issuer's and/or the Spar Nord Bank Group's capital requirements, leverage ratio requirements, net stable funding ratio requirement, liquidity requirements and/or REA which could have a material adverse effect on the Spar Nord Bank Group's business, results of operations, financial position or prospects*" above).

RISK FACTORS RELATING TO THE NOTES

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

At any time upon the occurrence of (in each case, to the extent applicable to the relevant series of Notes) (i) a change in tax law pursuant to Condition 6(c)(i) (in the case of Preferred Senior Notes only), (ii) a Tax Event pursuant to Condition 6(c)(ii) (in the case of Non-Preferred Senior Notes and Subordinated Notes only), (iii) a Capital Event pursuant to Condition 6(d) (in the case of Subordinated Notes only), (iv) a MREL/TLAC Disqualification Event pursuant to Condition 6(e) (in the case of Non-Preferred Senior Notes only) or (v) an Optional Redemption Date pursuant to Condition 6(f) (in the case of any Note), the Notes may be redeemed (if applicable) at the option of the Issuer at their Early Redemption Amount or, as the case may be, Optional Redemption Amount together with accrued interest, as more particularly described in the Conditions.

Such an optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem or is perceived to be likely to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. If the Issuer redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case Noteholders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

Redemption of the Subordinated Notes and Non-Preferred Senior Notes by the Issuer; redemption subject to permission of the Relevant Regulator

Under the CDR/CRR, any Subordinated Notes may generally not be redeemed during the first five years after such Notes have been issued. The Issuer may, subject to prior permission from the Relevant Regulator, redeem such Notes five years after issuance if the requirements under Condition 6 are complied with.

In addition, during the first five years after any Subordinated Notes have been issued (and at any time thereafter), the Issuer may, at its option but subject to prior permission from the Relevant Regulator, at any time redeem all, but not some, of such Notes at their Early Redemption Amount together with accrued interest upon the occurrence of a Tax Event or upon the occurrence of a Capital Event in accordance with Condition 6(c)(ii) and Condition 6(d), respectively. See also "*Notes subject to optional redemption by the Issuer*".

In the case of Non-Preferred Senior Notes, any early redemption by the Issuer of such Notes upon the occurrence of a Tax Event or upon the occurrence of a MREL/TLAC Disqualification Event (where so specified in the relevant Final Terms or Pricing Supplement, as applicable) in accordance with Condition 6(c)(ii) and Condition 6(e), respectively, is also subject to the prior permission of the Relevant Regulator.

Holders of Non-Preferred Senior Notes and Subordinated Notes should not invest in such Notes in the expectation that a call option included in the terms of such Notes will be exercised by the Issuer. The Relevant Regulator must agree to permit such a call to be exercised by the Issuer, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. In any such case, there can be no assurance that the Relevant Regulator will permit such a call to be exercised by the Issuer.

In addition, in the case of Non-Preferred Senior Notes and Subordinated Notes, if, after a notice of redemption has been given in accordance with paragraph (c)(ii), (d), (e) or (f), respectively, of Condition 6, the Relevant Regulator withdraws its permission to the relevant redemption before the relevant redemption date, the relevant redemption shall not be made until a new redemption notice is given and all conditions for redemption as described in paragraph (k) of Condition 6 have been fulfilled. Prospective investors in the relevant Notes should be aware that, whether or not a redemption notice has been issued in respect of such Notes, any redemption of such Notes will, at all times, remain subject to the permission of the Relevant Regulator.

The Non-Preferred Senior Notes rank junior to the Issuer's other unsubordinated creditors

The Issuer may issue Non-Preferred Senior Notes. The Non-Preferred Senior Notes constitute direct and unsecured obligations of the Issuer and will rank as described in Condition 4(b).

The Non-Preferred Senior Notes constitute Non-Preferred Senior Obligations of the Issuer. Non-Preferred Senior Obligations are unsubordinated and unsecured liabilities of the Issuer which rank below (i) any Preferred Senior Notes issued by the Issuer and (ii) any obligations of the Issuer that rank *pari passu* with any Preferred Senior Notes upon an insolvency of the Issuer in accordance with Section 13(3) of the Danish Act on Recovery and Resolution of certain Financial Businesses.

The Non-Preferred Senior Notes will rank junior to present or future claims of (a) depositors of the Issuer, (b) unsubordinated creditors of the Issuer pursuant to section 97 of the Danish Bankruptcy Act and (c) any other unsubordinated creditors of the Issuer that are not creditors in respect of Non-Preferred Senior Obligations of the Issuer, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

The Issuer may issue other obligations or instruments that rank or are expressed to rank senior to the Non-Preferred Senior Notes (including Preferred Senior Notes) or *pari passu* with the Non-Preferred Senior Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer. In the event of a liquidation or bankruptcy of the Issuer, the Issuer will be required to pay its depositors and other unsubordinated creditors of the Issuer that are not creditors in respect of Non-Preferred Senior Obligations of the Issuer in full before it can make any payments on the Non-Preferred Senior Notes. If this occurs, the Issuer may not have enough assets remaining after these payments are made to pay amounts due under the Non-Preferred Senior Notes. In addition, in the event of a liquidation or bankruptcy of the Issuer, to the extent the Issuer has assets remaining after paying its creditors who rank senior to the Non-Preferred Senior Notes, payments relating to other obligations or instruments of the Issuer that rank or are expressed to rank *pari passu* with the Non-Preferred Senior Notes may, if there are insufficient assets to satisfy the claims of all of the Issuer's *pari passu* creditors, further reduce the assets available to pay amounts due under the Non-Preferred Senior Notes on a liquidation or bankruptcy of the Issuer.

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer may issue Subordinated Notes which will constitute unsecured and subordinated obligations of the Issuer and will rank as described in Condition 4(c).

The Issuer may issue other obligations or capital instruments that rank or are expressed to rank senior to the Subordinated Notes (including Preferred Senior Notes and Non-Preferred Senior Notes) or *pari passu* with the Subordinated Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer. In the event of a liquidation or bankruptcy of the Issuer, the Issuer will be required to pay (i) its depositors, (ii) its other unsubordinated creditors and (iii) its subordinated creditors (other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Subordinated Notes) in full before it can make any payments on the Subordinated Notes. If this occurs, the Issuer may not have enough assets remaining after these payments are made to pay amounts due under the Subordinated Notes. In addition, in the event of a liquidation or bankruptcy of the Issuer, to the extent the Issuer has assets remaining after paying its creditors who rank senior to the Subordinated Notes, payments relating to other obligations or capital instruments of the Issuer that rank or are expressed to rank *pari passu* with the Subordinated Notes may, if there are insufficient assets to satisfy the claims of all of the Issuer's *pari passu* creditors, further reduce the assets available to pay amounts due under the Subordinated Notes on a liquidation or bankruptcy of the Issuer.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Substitution and variation of Non-Preferred Senior Notes and Subordinated Notes without Noteholder consent

In the case of Non-Preferred Senior Notes only, if Condition 6(j) is specified as being applicable in the relevant Final Terms or Pricing Supplement, as applicable, subject to Condition 6(k), if a MREL/TLAC Disqualification Event and/or a Tax Event has/have occurred and is/are continuing the Issuer may at its option substitute all (but not some only) of the Non-Preferred Senior Notes or vary the terms of all (but not some only) of the Non-Preferred Senior Notes, without any requirement for the consent or approval of the holders of the Non-Preferred Senior Notes, so that they become or remain Qualifying Non-Preferred Senior Notes.

In the case of Subordinated Notes only, subject to Condition 6(k), if a Capital Event and/or Tax Event has/have occurred and is/are continuing the Issuer may, at its option, substitute all (but not some only) of the Subordinated Notes or vary the terms of all (but not some only) of the Subordinated Notes, without any requirement for the consent or approval of the holders of the Subordinated Notes, so that they become or remain Qualifying Subordinated Notes.

Qualifying Non-Preferred Senior Notes and Qualifying Subordinated Notes are securities issued or guaranteed by the Issuer that have, *inter alia*, terms which (i) adhere to the specific conditions outlined in the definition of "Qualifying Non-Preferred Senior Notes" (in the case of Non-Preferred Senior Notes) or "Qualifying Subordinated Notes" (in the case of Subordinated Notes) in the Conditions and (ii) are not prejudicial to the interests of the Noteholders compared to the terms of the Non-Preferred Senior Notes or Subordinated Notes, as the case may be (provided that the Issuer shall have delivered a certificate to that effect signed by two members of its Executive Board to the Fiscal Agent). There can be no assurance that, due to the particular circumstances of each holder, any Qualifying Non-Preferred Senior Notes or Qualifying Subordinated Notes, as the case may be, will be as favourable to each holder in all respects or that, if it were entitled to do so, a particular holder would make the same determination as the Issuer as to whether the terms of the relevant Qualifying Non-Preferred Senior Notes or Qualifying Subordinated Notes are not prejudicial to the interests of the holders compared to the terms of the relevant Notes prior to such substitution or variation, as the case may be.

No events of default and limited Enforcement Events in relation to Non-Preferred Senior Notes and Subordinated Notes

There are no events of default in relation to Non-Preferred Senior Notes and Subordinated Notes. Holders of Non-Preferred Senior Notes or Subordinated Notes may not at any time demand repayment or redemption of their respective Non-Preferred Senior Notes or Subordinated Notes, and enforcement rights for any payment are limited to the claim of Noteholders in a liquidation or bankruptcy of the Issuer. In a liquidation or bankruptcy of the Issuer, a holder of Non-Preferred Senior Notes or Subordinated Notes may prove or claim in such proceedings in respect of such Non-Preferred Senior Note or Subordinated Note, such claim being for payment of the Early Redemption Amount of such Non-Preferred Senior Note or Subordinated Note at the time of commencement of such liquidation or bankruptcy together with any interest accrued and unpaid on such Non-Preferred Senior Note or Subordinated Note from (and including) the Interest Payment Date immediately preceding commencement of such liquidation or bankruptcy and any other amounts payable on such Non-Preferred Senior Note or Subordinated Note under the Conditions.

Resolution tools and powers under the BRRD

Recovery and Resolution Directive

On 15 May 2014, the European Parliament and the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the “**BRRD**”). The BRRD, including the general bail-in tool and the Minimum Requirement for own funds and Eligible Liabilities (“**MREL**”), was implemented into Danish law and entered into force as of 1 June 2015 by Act No. 333 of 31 March 2015 on Restructuring and Resolution of Certain Financial Undertakings (now Consolidated Act No. 24 of 4 January 2019 on Restructuring and Resolution of Certain Financial Undertakings as amended from time to time (the “**Danish Act on Recovery and Resolution of certain Financial Businesses**”)) and by amendments to the Danish Financial Business Act. Any reference to the BRRD below shall include the implementation hereof into Danish law.

The BRRD confers substantial powers on national resolution authorities designed to enable them to take a range of actions in relation to credit institutions which are considered to be at risk of failing. The exercise of any of these actions in relation to the Issuer could materially adversely affect the value of any Notes.

The BRRD is designed to provide authorities designated by Member States with a credible set of tools to intervene sufficiently early and quickly in relation to unsound or failing credit institutions, investment firms, certain financial institutions and certain holding companies (each, a “**relevant entity**”) 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 various resolution powers which may be used alone or in combination where the relevant resolution authority considers that (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe, and (c) a resolution action is in the public interest. A relevant entity will be considered as failing or likely to fail when either: (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).

Is such circumstances, the relevant resolution authority may use the following resolution tools and powers alone or in combination without the consent of the relevant entity’s creditors: (i) sale of business – which enables resolution authorities to direct the sale of the relevant entity 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 relevant entity to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset

separation – which enables resolution authorities to transfer assets (including, without limitation, impaired or problem assets) to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including the Notes) to equity or other instruments of ownership (the “**general bail-in tool**”), which equity or other instruments of ownership could also be subject to any future application of the general bail-in tool.

Depositor preference and the general bail-in tool

The Danish implementation of the Revised Deposit Guarantee Scheme (see “Risks relating to Spar Nord Bank’s participation in the Deposit Guarantee Scheme and resolution fund”) increased the nature and quantum of insured deposits to cover a wide range of deposits, including certain corporate deposits (unless the depositor is a public sector body or financial institution) and some temporary high value deposits. The effect of these changes is to increase the size of the class of preferred creditors. All such preferred deposits will rank in the insolvency hierarchy ahead of all other unsecured creditors of the Issuer, including the Noteholders. Furthermore, insured deposits are excluded from the scope of the general bail-in tool. As a result, if the general bail-in tool were exercised by the relevant resolution authority, the Notes would be more likely to be bailed-in than certain other unsubordinated liabilities of the Issuer such as other preferred deposits.

The non-viability loss absorption tool

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity, capital instruments such as Tier 2 Capital (including the Subordinated Notes) at the point of non-viability and before any other resolution action is taken (“**non-viability loss absorption**”). Any shares issued to holders of the Subordinated Notes upon any such conversion into equity may also be subject to any application of the general bail-in tool and/or the other resolution powers outlined above. Resolution authorities are required to implement non-viability loss absorption ahead of, or simultaneously with, any resolution action.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority determines that the relevant entity or its group will no longer be viable unless the relevant capital instruments (such as the Subordinated Notes) are written-down or converted or (iii) extraordinary public financial support is required by the relevant entity or its group other than, where the relevant entity is an institution, for the purposes of remedying a serious disturbance in the economy of a Member State and to preserve financial stability. A group shall be deemed to be failing or likely to fail where the group infringes or there are objective elements to support a determination that the group, in the near future, will infringe its consolidated solvency requirements in a way that would justify action by the relevant authority including, but not limited to, where the group has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds (as defined in the CRR).

Additional powers of Member States and resolution authorities

The BRRD also provides for a Member State as a last resort, after having assessed and applied 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 public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

The BRRD (and thereby also the Danish Act on Recovery and Resolution of certain Financial Businesses) also provides resolution authorities with broader powers to implement other resolution measures with respect to distressed relevant entities, which may include (without limitation) the replacement or substitution of the

relevant entity as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

MREL and the Group's related requirements

With the implementation of the BRRD, European banks are required to have bail in-able resources in order to fulfil MREL. There is no minimum EU-wide level of MREL – each resolution authority is required to make a separate determination of the appropriate MREL requirement for each resolution group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each relevant entity. On 19 December 2018 the Danish FSA set the MREL requirement for the Group to 15.1 per cent. of the Group's total liabilities and own funds, which corresponds to 24.1 per cent. of the Group's REA. The MREL requirement for the Group corresponds to two times its own funds requirement including its combined buffer requirement (however, only one times its countercyclical capital buffer requirement). This is in accordance with a fact sheet published by the Danish FSA on 23 March 2018 regarding the principles for the MREL requirement for Danish SIFI banks. The MREL requirement for the Group has been gradually phased in since 1 January 2019 and so that the MREL requirement as at 30 September 2019 is 9.6 per cent. of the Group's total liabilities and own funds (14.9 per cent. of the Group's REA), as at 1 January 2020 is 11.4 per cent. of the Group's total liabilities and own funds (18.3 per cent. of the Group's REA), as at 1 January 2021 is 13.2 per cent. of the Group's total liabilities and own funds (21.2 per cent. of the Group's REA) and to be fully complied with as at 1 January 2022 where the fully phased in MREL requirement of 15.1 per cent. of the Group's total liabilities and own funds will apply. According to the Danish FSA's MREL decision regarding the Issuer, the MREL requirement must be met with own fund instruments and Non-Preferred Senior debt (as defined below) which also fulfil the requirements for eligible liabilities in the CRR. The MREL requirement may require Danish SIFIs and other banks to issue own funds instruments or debt eligible for MREL (such as the Non-Preferred Senior Notes) in accordance with the BRRD and the CRR, the latter of which includes non-preferred senior debt with residual maturity of at least one year.

The MREL requirement will be set annually on the basis of the entity's annual update of its individual resolution plan and it is the Danish FSA, following consultation with Finansiell Stabilitet, which sets the MREL requirement for each relevant entity. If a relevant entity does not fulfil the MREL requirement after 1 January 2019, the relevant authority may withdraw its banking licence. Also, a comparable concept for loss absorption, Total Loss Absorbing Capacity (“**TLAC**”) has been set for global systemically important institutions (“**G-SII**”). The TLAC requirement also takes effect from 2019.

The Insolvency Hierarchy Directive

On 12 December 2017, the European Parliament and the Council of the European Union adopted Directive 2017/2399/EU amending the BRRD (the “**Insolvency Hierarchy Directive**”) as regards the ranking of unsecured debt instruments in insolvency hierarchy. The Insolvency Hierarchy Directive enables banks to issue debt in a new statutory category of unsecured debt which would rank below the most senior debt and other senior liabilities for the purposes of resolution (a so-called “**Non-Preferred Senior debt**”). The directive has been transposed into national law in Denmark and was adopted by the Danish Parliament on 8 June 2018 by Act No. 706 and became effective on 1 July 2018.

The BRRD Amendment Directive

Directive (EU) 2019/879 of the European Parliament and of the Council dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019 (the “**BRRD Amendment Directive**”) includes, among other things, proposals to implement TLAC into EU legislation. The BRRD Amendment Directive entered into force on 27 June 2019. The date of application of the BRRD Amendment Directive is 18 months after its entry into force (with certain exemptions). The incorporation of the TLAC standard into the existing MREL framework is expected to provide clarity in the regulatory framework surrounding MREL and TLAC, both in terms of the framework for setting banks' requirements as well as the instruments that can be used to

fulfil such requirements. The CRR as amended by way of the CRR Amendment Regulation will set the requirement for the instruments that can be used to fulfil the MREL and TLAC requirement.

Exercise of powers under the BRRD

The powers set out in the already adopted BRRD will impact how credit institutions and investment firms are managed, as well as, in certain circumstances, the rights of creditors. The BRRD outlines the priority ranking of certain deposits in an insolvency hierarchy, which required changes to the insolvency hierarchy in Denmark and which was further amended by way of the Insolvency Hierarchy Directive. The BRRD establishes a preference in the ordinary insolvency hierarchy, firstly for insured depositors and, secondly, for all other deposits of individuals and micro, small and medium-sized enterprises held in the European Economic Area or non-European Economic Area branches of a European Economic Area bank. These preferred deposits rank ahead of all other unsecured senior creditors of the Issuer in the insolvency hierarchy. Furthermore, the insolvency hierarchy could be changed in the future.

Any application of the general bail-in tool and non-viability loss absorption under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on Noteholders will depend on their ranking in accordance with such hierarchy, 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 relevant entity (which is referred to as the “no creditor worse off principle” under the BRRD). 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. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Notes.

The exercise of any power under the BRRD, or any suggestion of such exercise, could have a material adverse effect on the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes. Although the BRRD, as implemented, contains certain limited safeguards for creditors in specific circumstances, including in the case of senior creditors (such as the holders of Preferred Senior Notes) a safeguard that aims to ensure that they do not incur greater losses than they would have incurred had the relevant entity been wound up under normal insolvency proceedings, there can be no assurance that these safeguards will be effective if such powers are exercised. The determination that any power under the BRRD shall be exercised or that all or a part of the principal amount of the Notes will be subject to bail-in is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Group’s control. The application of the general bail-in tool with respect to the Notes may result in the write-down or cancellation of all, or a portion of, the principal amount of, or outstanding amount payable in respect of, and/or interest on, the Notes and/or the conversion of all, or a portion, of the principal amount of, or outstanding amount payable in respect of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes to give effect to such application of the general bail-in tool. Accordingly, potential investors in the Notes should consider the risk that the general bail-in tool may be applied in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security than the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the relevant resolution authority may exercise its authority to apply the general bail-in tool without providing any advance notice to the Noteholders. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of the relevant Noteholders, the price or value of their investment in any relevant Notes and/or the ability of the Issuer to satisfy its obligations under any relevant Notes.

No right of set-off or counterclaim for holders of Non-Preferred Senior Notes and Subordinated Notes

Subject as provided in the Conditions and as a general principle of Danish law, in respect of Non-Preferred Senior Notes and Subordinated Notes only, no Noteholder, who shall in the event of the liquidation or bankruptcy of the Issuer be indebted to the Issuer, shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Non-Preferred Senior Notes or Subordinated Notes held by such Noteholder.

Limitation on gross-up obligation under the Non-Preferred Senior Notes and Subordinated Notes

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Non-Preferred Senior Notes and the Subordinated Notes applies only to payments of interest due and paid under such Notes and not to payments of principal. As such, the Issuer would not be required to pay any additional amounts under the terms of the Non-Preferred Senior Notes and the Subordinated 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, holders of Non-Preferred Senior Notes or Subordinated Notes may receive less than the full amount due under the Non-Preferred Senior Notes or the Subordinated Notes, as the case may be, and the market value of such Notes may be adversely affected. Holders of Non-Preferred Senior Notes or Subordinated Notes should note that principal for these purposes may include any payments of premium.

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

Interest rates and indices which are deemed to be "benchmarks" (such as, in the case of Floating Rate Notes, a Reference Rate or, in the case of Reset Notes, a Mid-Swap 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 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. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the 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 benchmark.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority ("FCA") confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcements**"). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and

derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to transition EURIBOR to a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (“€STR”) as the new risk free rate for the euro area. €STR was published for the first time by the ECB on 2 October 2019. In addition, the euro risk-free rate working group has published; (i) on 21 January 2019, a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts without robust fallback provisions may increase the risk to the euro area financial system; and (ii) on 6 November 2019, high level recommendations for fallback provisions in, among other things, cash products (including bonds) referencing EURIBOR.

In Denmark, Finance Denmark (a Danish business association for banks, mortgage banks, asset management, securities trading and investment funds in Denmark) in July 2019 published its recommendations for a DKK risk-free reference rate. The DKK risk-free reference rate will be based on overnight deposits. In the third quarter of 2019 Finance Denmark is planning to initiate data collection in order to run test calculations for the DKK risk-free reference rate. Information in respect of the test calculations will be published on the website of Finance Denmark. Simultaneously, Finance Denmark will analyse the possibilities to supplement the DKK risk-free reference rate with a long term DKK risk-free reference rate. The impact of such risk-free reference rates on CIBOR is currently unclear.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR, CIBOR and other benchmarks will continue to be supported going forwards (in the case of LIBOR, following 2021). This may cause LIBOR, EURIBOR, CIBOR and other benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

More broadly, any of the national or international 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.

Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

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 Notes linked to or referencing a benchmark.

Future discontinuance of certain benchmark rates (for example, LIBOR, EURIBOR or CIBOR) may adversely affect the value of Floating Rate Notes and/or Reset Notes which are linked to or which reference any such benchmark rate

Investors should be aware that, if a benchmark rate were discontinued or otherwise unavailable, the rate of interest on Reset Notes and Floating Rate Notes which are linked to or which reference such benchmark rate will be determined for the relevant period by the fallback provisions applicable to such Notes. The Conditions provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)), such as LIBOR, EURIBOR or CIBOR, becomes unavailable.

If the circumstances described in the preceding paragraph occur and (i) in the case of Floating Rate Notes, Screen Rate Determination is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the manner in which the rate of interest is to be determined or (ii) in the case of Reset Notes, Mid-Swap Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the Reset Reference Rate and, in each case, Reference Rate Replacement is also specified in the relevant Final Terms or Pricing Supplement, as applicable as being applicable (any such Notes “**Relevant Notes**”), such fallback arrangements will include the possibility that 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 Reference Rate or an Alternative Reference Rate (as applicable) determined by an Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by the Issuer fails to make such determination, the Issuer (the Issuer, in any such case, acting in good faith and in a commercially reasonable manner as described more fully in the Conditions of the Relevant Notes).

In addition, if a Successor Reference Rate or Alternative Reference Rate is determined by the relevant Independent Adviser or the Issuer (as applicable), the Conditions also provide that an Adjustment Spread (as defined in the Conditions) may be determined by the relevant Independent Adviser or the Issuer (as applicable) to be applied to such Successor Reference Rate or Alternative Reference Rate, as the case may be. An Adjustment Spread could be positive, negative or zero. The application of an Adjustment Spread may result in the relevant Notes performing differently (which may include payment of a lower interest rate) than they would do if the relevant Original Reference Rate (as applicable) were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Reference Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest.

In addition, the relevant Independent Adviser or the Issuer (as applicable) may also determine (acting in good faith and in a commercially reasonable manner) other amendments to the Conditions in order to follow market practice in relation to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and to ensure the proper operation and comparability to the relevant Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable).

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

In certain circumstances (including, in the case of the Relevant Notes, if the Independent Adviser appointed by the Issuer fails to make the necessary determination), the ultimate fallback for determining the rate of interest for a particular Interest Accrual Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Accrual Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) based on the rate which was last observed on the Relevant Screen Page for the purposes of determining the rate of interest in respect of an Interest Accrual Period or a Reset Period (as applicable). In addition, due to the uncertainty concerning the availability of Successor Reference Rates and Alternative Reference 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 Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Reset Notes. Investors should note that, in the case of Relevant Notes, the relevant Independent Adviser or the Issuer (as applicable) will have discretion to adjust the relevant Successor Reference Rate or Alternative Reference 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.

In addition, potential investors should also note that:

- (i) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Relevant Notes will be made if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Relevant Notes as (A) in the case of Non-Preferred Senior Notes, MREL/TLAC Eligible Liabilities; or (B) in the case of Subordinated Notes, Tier 2 Capital; and/or
- (ii) in the case of Non-Preferred Senior Notes only, no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Relevant Notes will be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date (or any future Interest Payment Date) as the effective maturity of the Relevant 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.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount 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 Notes. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

Risks related to Notes generally

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

Modification and waivers

The Conditions contain provisions for convening meetings of Noteholders or instigating a Written Procedure to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting or respond in the Written Procedure and Noteholders who voted or responded in a manner contrary to the majority. In the case of Non-Preferred Senior Notes and Subordinated Notes, any modification of the Conditions pursuant to the operation of such provisions is subject to Condition 6(k).

In addition, the Issuer may, subject to Condition 6(k) in the case of Non-Preferred Senior Notes and Subordinated Notes, make any modification to the Notes of any Series and/or the Conditions of any Series which is not prejudicial to the interests of the Noteholders of such Series without the consent of the Noteholders. Any such modification shall be binding on the Noteholders of such Series.

Change of law

Save where the Securities Depository is VPS (in which event Condition 3(b) (relating to transfers of the Notes) and Condition 19 (relating to the delivery of notices to Noteholders) shall be governed by Norwegian law) the Conditions are based on Danish law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to Danish, Norwegian or other applicable laws, regulations or administrative practice after the date of issue of the relevant Notes. Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss-absorption tools which may affect the rights of holders of securities issued by the Issuer, including the Notes. Such tools may include the ability to write off sums otherwise payable on such securities at a time when the Issuer is no longer considered viable by its regulator or upon the occurrence of another trigger.

Minimum trading amount of Notes

In case the specified denomination of the Notes (other than the Exempt Notes) is less than €100,000 (or if the Notes (other than Exempt Notes) are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency) the VP set-up entails that the initial subscription amount of, and all subsequent trades in, Notes shall be in a minimum amount of €100,000 (or if the Notes (other than Exempt Notes) are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency). Consequently, a Noteholder who, as a result of trading Notes through VP holds an amount which is less than €100,000 in its account with the VP will not be able to trade or sell the remainder of such holding without first purchasing a principal amount of Notes such that its holding is in an amount of at least €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency).

Risks related to the market which may affect the Issuer and/or the Notes

Set out below is a brief description of certain market risks, including credit rating risk, liquidity risk, exchange rate risk and interest rate risk.

Credit rating risks related to the Issuer and/or the Notes

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

In addition, rating agencies may assign unsolicited ratings to the Notes. In such circumstances there can be no assurance that the unsolicited rating(s) will not be lower than the comparable solicited ratings assigned to the Notes, which could adversely affect the market value and liquidity of the Notes.

The Issuer's credit ratings are important to its business. There can be no assurance that any relevant rating agency will not downgrade the ratings of the Issuer or the ratings of the Issuer's debt instruments (including the Notes) either as a result of the financial position of the Spar Nord Bank Group or changes to applicable rating methodologies used by any relevant rating agency. A rating agency's evaluation of the Issuer may also be based on a number of factors not entirely within the control of the Issuer, such as conditions affecting the financial services industry generally. Any reduction in the Issuer's credit ratings or the ratings of its debt instruments, including any unsolicited credit rating, could adversely affect its liquidity and competitive position, undermine confidence in the Issuer and the Spar Nord Bank Group, increase its borrowing costs, limit its access to the capital markets, or limit the range of counterparties willing to enter into transactions with the Issuer and the Spar Nord Bank Group. Such development could have a material adverse effect on the Issuer and the Spar Nord Bank Group's business, financial situation, results of operations, liquidity and/or prospects.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances whilst the registration application is pending). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances. If the status of the rating agency rating the Notes changes, European 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 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 Prospectus.

The secondary market of the Notes

The Notes may have no established trading market when issued, and one may never develop. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If a market does develop, it may not be very liquid and any liquidity in such market could be significantly affected by any purchase and cancellation of the Notes by the Issuer or any of its Subsidiaries as provided in Condition 6. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. Illiquidity may have an adverse effect on the market value of the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

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

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The reset of the Rate of Interest fixed with respect to Reset Notes on each Reset Date could affect the market value of an investment in such Notes

Reset Notes will initially bear interest at the fixed rate per cent. per annum specified in the relevant Final Terms or Pricing Supplement, as applicable (the "**Initial Rate of Interest**") until the Reset Date specified in the relevant Final Terms or Pricing Supplement, as applicable or, if more than one Reset Date is specified, the first Reset Date specified in the relevant Final Terms or Pricing Supplement, as applicable (in each case, as defined in the Conditions). On the Reset Date (or on each Reset Date, if more than one Reset Date is specified), the Rate of Interest will be reset to the aggregate of the applicable Reset Reference Rate and the relevant Subsequent Reset Margin (each as defined in the Conditions), as determined by the Calculation Agent. Such reset Rate of Interest could be less than the Initial Rate of Interest and/or, as applicable, less than the Rate of Interest determined on any previous Reset Determination Date (as defined in the Conditions), and could accordingly affect the market value of an investment in the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2017 together with the independent auditor's report thereon (the "**2017 Annual Report**") (an English translation is available on the website of the Issuer at https://media.sparnord.dk/com/investor/financial_communication/reports/2017/annual-report_2017.pdf) excluding the section "Outlook for 2018" on page 16;
- (b) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018 together with the independent auditors' report thereon (the "**2018 Annual Report**") (an English translation is available on the website of the Issuer at https://media.sparnord.dk/com/investor/financial_communication/reports/2018/annual-report-2018.pdf) excluding the section "Outlook for 2019" on page 18;
- (c) the interim unaudited consolidated financial statements of the Issuer for the nine-month period ended 30 September 2019 (an English translation is available on the website of the Issuer at https://media.sparnord.dk/com/investor/financial_communication/reports/2019/Q3_2019_engelsk.pdf) excluding the sections "Outlook for 2019" on page 1 and on page 8;
- (d) the Risk Report 2017 of the Issuer for the financial year ended 31 December 2017, an English translation is available on the website of the Issuer at https://media.sparnord.dk/com/investor/financial_communication/reports/2017/risk_report_2017.pdf; and
- (e) the Risk Report 2018 of the Issuer for the financial year ended 31 December 2018, an English translation is available on the website of the Issuer at https://media.sparnord.dk/com/investor/financial_communication/reports/2018/risk_report_2018.pdf.

Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Those parts of the 2017 Annual Report, the 2018 Annual Report and the interim report for the nine-month period ended 30 September 2019 which are not specifically incorporated by reference in this Prospectus, are either not relevant for investors in the Notes or are covered elsewhere in this Prospectus.

The audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2018 and 2017, together, in each case, with the audit report thereon, and the unaudited consolidated interim financial statements of the Issuer for the nine-month period ended 30 September 2019 have been translated into English and represent a direct and accurate translation from the Danish language originals. If there are any inconsistencies or discrepancies between the Danish language versions and the English translations thereof, the original Danish language versions shall prevail.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche of Notes other than Exempt Notes, subject only to the deletion of non-applicable provisions, is set out below:

[MiFID II product governance / Professional investors and eligible counterparties 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 2014/54/EU (as amended) ("MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration [the/each] manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[MiFID II product governance / Retail investors, professional investors and eligible counterparties 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 2014/54/EU (as amended) ("MiFID II"); EITHER [(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 of the Notes 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 (as defined below) 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/each] manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]

[Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[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 these 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 European Union, recognition, endorsement or equivalence).]

Final Terms dated [●]

Spar Nord Bank A/S

Legal entity identifier (LEI): 549300DHT635Q5P8J715
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the
€2,000,000,000 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 Conditions set forth in the Base Prospectus dated 13 November 2019 [and the supplement[s] to the Base Prospectus dated [●][and [●]]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”), at www.ise.ie.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub- paragraphs. Italics denote guidance for completing the Final Terms.]

- | | | |
|----|--|---|
| 1. | Issuer: | Spar Nord Bank A/S |
| 2. | [(i)] Series Number: | [●] |
| | [(ii)] Tranche Number: | [●] |
| | [(iii)] Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated and form a single Series with the <i>[insert amount, interest rate, maturity date and issue date of the Series]</i> |
| 3. | Specified Currency: | [●] |
| 4. | Aggregate Nominal Amount: | [●] |
| | [(i)] Series: | [●] |
| | [(ii)] Tranche: | [●] |
| 5. | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)] |

6. (i) Specified Denomination(s):
- [All trades in Notes as well as the initial subscription shall be in a minimum amount of [currency][amount]. A Noteholder who, as a result of trading such amounts, holds an amount which is less than [currency][amount] in its account with the relevant Securities Depository will not be able to sell the remainder of such holding without first purchasing a principal amount of the Notes at or in excess of [currency][amount] such that its holding amounts to [currency][amount] or above.]
- (N.B Either (i) all trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of €100,000 or (ii) the minimum specified denomination of each Note will be €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency.)*
- (ii) Calculation Amount:
7. (i) Issue Date:
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: per cent. Fixed Rate
[[specify reference rate] +/- per cent. Floating Rate]
[Reset Notes]
(further particulars specified below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at their Final Redemption Amount
11. Change of Interest Basis: [Not Applicable/cross refer to paragraphs [[14] and/or [15]] if details are included there]
12. Call/Put Option: [Call Option/Put Option/Not Applicable]
[(see paragraph[s] [17] [and] [18] below)]
13. [(i)] Status of the Notes [Preferred Senior Notes / Non-Preferred Senior Notes / Subordinated Notes]
- [(ii)] [Date [Board of Directors] approval for issuance of Notes obtained:
- (N.B. Only relevant where Board of Directors (or similar) authorisation is required for the particular tranche of Notes)]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date
- (iii) Fixed Coupon Amount: [[●] per Calculation Amount/Not Applicable]
- (iv) Broken Amount: [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
- (v) Day Count Fraction: [Actual/Actual – ISDA]
[Actual/Actual – ICMA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30E/360 (ISDA)]
- (vi) Determination Dates: [[●] in each year/Not Applicable]
15. **Reset Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Initial Rate of Interest: [●] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrear
- (ii) First Reset Margin: [+/-][●] per cent. per annum
- (iii) Subsequent Reset Margin [[+/-][●] per cent. per annum/Not Applicable]
- (iv) Interest Payment Date(s) [●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date
- (v) Fixed Coupon Amount up to (but excluding) the First Reset Date: [[●] per Calculation Amount/Not Applicable]
- (vi) Broken Amount up to (but excluding) the First Reset Date: [Not Applicable/[●] per Calculation Amount payable on the Interest Payment Date falling [in/or] [●]]
- (vii) First Reset Date: [●]
- (viii) Second Reset Date: [[●]/Not Applicable]

- (ix) Subsequent Reset Date(s): [[●] [and [●]]/Not Applicable]
- (x) Reset Determination Date(s): [●]
(specify in relation to each Reset Date)
- (xi) Relevant Time: [●]
- (xii) Relevant Screen Page: [●]
- (xiii) Reset Reference Rate: [Mid-Swap Rate]/[Reference Bond]/[CMT Rate]
- (xiv) Reset Reference Rate Conversion: [Applicable/Not Applicable]
- (xv) Original Reset Reference Rate Payment Basis: [Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
- (xvi) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate Replacement: [Applicable/Not Applicable]
- Mid-Swap Floating Leg Maturity: [●]
- Initial Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]
(If not applicable, delete “Initial Mid-Swap Rate” immediately below)
- Initial Mid-Swap Rate: [●] per cent.
- Reset Period Maturity Initial Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]
(If not applicable, delete “Reset Period Maturity Initial Mid-Swap Rate” immediately below)
- Reset Period Maturity Initial Mid-Swap Rate: [●] per cent.
- Last Observable Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]
- (xvii) First Reset Period Fallback Yield: [●]/[Not Applicable]
(N.B. only applicable where the Reset Reference Rate is Reference Bond or CMT Rate)

- (xviii) Fallback Relevant Time: /[Not Applicable]
- (xix) Reset Reference Banks:
- (xx) Day Count Fraction: [Actual/Actual – ISDA]
[Actual/Actual – ICMA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30E/360 (ISDA)]
- (xxi) Determination Dates: in each year/Not Applicable]
- (xxii) Calculation Agent: [Specify if not the Fiscal Agent]/[The Fiscal Agent]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s):
- (ii) Specified Interest Payment Dates:
- (iii) First Interest Payment Date:
- (iv) Interest Period Date:
- (Not applicable unless different from Interest Payment Date)*
- (v) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (vi) Business Centre(s):
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):
- (ix) Screen Rate Determination:

- Reference Rate: month] [LIBOR/EURIBOR/CIBOR/NIBOR/
STIBOR]
- (N.B. The Reference Rate shall be any one of LIBOR, EURIBOR, NIBOR, STIBOR or CIBOR)*
- Interest Determination Date(s):
 - Relevant Screen Page:
 - Reference Banks:
- (x) Reference Rate Replacement: [Applicable/Not Applicable]
 - (xi) ISDA Definitions: /[2006 ISDA Definitions]
 - (xii) ISDA Determination:
 - Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
 - (xiii) Margin(s): per cent. per annum
 - (xiv) Minimum Rate of Interest: per cent. per annum
 - (xv) Maximum Rate of Interest: per cent. per annum
 - (xvi) Day Count Fraction:
 - [Actual/Actual – ISDA]
 - [Actual/Actual – ICMA]
 - [Actual/365 (Fixed)]
 - [Actual/365 (Sterling)]
 - [Actual/360]
 - [30/360][360/360][Bond Basis]
 - [30E/360][Eurobond Basis]
 - [30E/360 (ISDA)]
 - (xvii) Determination Dates: in each year/Not Applicable]

PROVISIONS RELATING TO REDEMPTION

- 17. **Call Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount: /[Early Redemption Amount]

- (iii) If redeemable in part: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraph)
- (a) Maximum Redemption Amount: [●]
- (b) Minimum Redemption Amount: [●]
- (iv) Notice period: Minimum period: [15]/[●] days
Maximum period: [30]/[●] days
18. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
(Only applicable to Preferred Senior Notes)
- (i) Optional Redemption Date(s) (Put): [●]
- (ii) Optional Redemption Amount (Put): [●]/[Early Redemption Amount]
- (iii) Notice period: Minimum period: [15]/[●] days
Maximum period: [30]/[●] days
19. **Final Redemption Amount** [●]/[The Outstanding Principal Amount]
20. **Early Redemption Amount** [●]/[The Final Redemption Amount]
21. **Redemption for MREL/TLAC Disqualification Event** [Condition 6(e) applies/Not Applicable]
(Only applicable to Non-Preferred Senior Notes)
22. **Substitution and variation for Non-Preferred Senior Notes** [Applicable/Not Applicable]
(Only applicable to Non-Preferred Senior Notes)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: Uncertificated and dematerialised book entry form
24. Business Centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]
(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraph 16(vi) relates)

[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.]

Signed on behalf of Spar Nord Bank A/S:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of Euronext Dublin.
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin 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 regulated market of Euronext Dublin with effect from [●]]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: [The Notes to be issued have been rated:]
- [The Notes to be issued are expected to be rated:]
- [[●]: [●]]
- Insert one (or more) of the following options, as applicable:*
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] established in the EU and registered under Regulation (EC) No. 1060/2009 (as amended).]*
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] established in the EU and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the registration decision has not yet been provided.]*
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] not established in the EU and [is/are] not certified under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”) and the rating[s] [it has/they have] given to the Notes [is/are] not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.]*

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

[Save as discussed in the “*Subscription and Sale*” and “*General Information*” sections of the Base Prospectus, including any fees payable to [●] (the [Managers/Dealer]), so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. [The Issuer is acting in capacity as Issuer and [Manager/Dealer] in relation to the offer of the Notes. Accordingly, there may be a potential conflict of interest of the Issuer acting as Issuer and [Dealer/Manager] in relation to the offer of the Notes as the Issuer has an interest in the Notes being sold.] (*Only to be included in offer of Notes where the Issuer is acting as Dealer/Manager*). The [other] [Managers/Dealer] and [their/its] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.] (*Amend as appropriate if there are other interests*)

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)

4. **[YIELD**

(Include for Fixed Rate Notes and Reset Notes only)

Indication of yield: [●]

5. **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

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]

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] (*If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”*)

Securities Depository: [VP/VPS]

[The Issuer shall be entitled to obtain certain information from the registers maintained by VP for the purpose of performing its obligations under the issue of the Notes.]

(Delete the above paragraph where such entitlement of the Issuer will not apply to a Series of Notes.)

6. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/[●]]
- (iii) Date of Subscription Agreement: [●]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/[●]]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/[●]]
- (vi) U.S. Selling Restriction: Reg. S Compliance Category 2
- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

7. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

- (i) Reasons for the offer: [See “*Use of Proceeds*” in the Base Prospectus/[*Give details*]]

(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details)
- (ii) Estimated net proceeds: [●]

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche of Exempt Notes issued under the Programme, subject only to the deletion of non-applicable provisions, is set out below:

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

[Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Pricing Supplement dated [●]

Spar Nord Bank A/S

Legal entity identifier (LEI): 549300DHT635Q5P8J715
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the
€2,000,000,000 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 Conditions set forth in the Base Prospectus dated 13 November 2019 [and the supplement[s] to the Base Prospectus dated [●][and [●]]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”), at www.ise.ie.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub- paragraphs. Italics denote guidance for completing the Pricing Supplement.]

- | | | |
|----|------------------------|--------------------|
| 1. | Issuer: | Spar Nord Bank A/S |
| 2. | [(i)] Series Number: | [●] |
| | [(ii)] Tranche Number: | [●] |

- [(iii) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated and form a single Series with the *[insert amount, interest rate, maturity date and issue date of the Series]*]
3. Specified Currency: [●]
4. Aggregate Nominal Amount: [●]
- [(i) Series: [●]
- [(ii) Tranche: [●]]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denomination(s): [●]
- [All trades in Notes as well as the initial subscription shall be in a minimum amount of *[currency][amount]*. A Noteholder who, as a result of trading such amounts, holds an amount which is less than *[currency][amount]* in its account with the relevant Securities Depository will not be able to sell the remainder of such holding without first purchasing a principal amount of the Notes at or in excess of *[currency][amount]* such that its holding amounts to *[currency][amount]* or above.]
- (N.B Either (i) all trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of €100,000 or (ii) the minimum specified denomination of each Note will be €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency.)*
- (ii) Calculation Amount: [●]
7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [*Specify/Issue Date/Not Applicable*]
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [[●] per cent. Fixed Rate]
[[*specify reference rate*] +/- [●] per cent. Floating Rate]
[Reset Notes]
(further particulars specified below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at their Final Redemption Amount

11. Change of Interest Basis: [Not Applicable/cross refer to paragraphs [[14] and/or [15]] if details are included there]
12. Call/Put Option: [Call Option/Put Option/Not Applicable]
[see paragraph[s] [17] [and] [18] below)]
13. [(i)] Status of the Notes [Preferred Senior Notes / Non-Preferred Senior Notes / Subordinated Notes]
- [(ii)] [Date [Board of Directors] [●]
approval for issuance of Notes
obtained: (N.B. Only relevant where Board of Directors (or similar) authorisation is required for the particular tranche of Notes)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date
- (iii) Fixed Coupon Amount: [[●] per Calculation Amount/Not Applicable]
- (iv) Broken Amount: [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
- (v) Day Count Fraction: [Actual/Actual – ISDA]
[Actual/Actual – ICMA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30E/360 (ISDA)]
- (vi) Determination Dates: [[●] in each year/Not Applicable]
15. **Reset Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Initial Rate of Interest: [●] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrear
- (ii) First Reset Margin: [+/-][●] per cent. per annum

- (iii) Subsequent Reset Margin [[+/-][●] per cent. per annum/Not Applicable]
- (iv) Interest Payment Date(s) [●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date
- (v) Fixed Coupon Amount up to (but excluding) the First Reset Date: [[●] per Calculation Amount/Not Applicable]
- (vi) Broken Amount up to (but excluding) the First Reset Date: [Not Applicable/[●] per Calculation Amount payable on the Interest Payment Date falling [in/or] [●]]
- (vii) First Reset Date: [●]
- (viii) Second Reset Date: [[●]/Not Applicable]
- (ix) Subsequent Reset Date(s): [[●] [and [●]]/Not Applicable]
- (x) Reset Determination Date(s): [●]
(specify in relation to each Reset Date)
- (xi) Relevant Time: [●]
- (xii) Relevant Screen Page: [●]
- (xiii) Reset Reference Rate: [Mid-Swap Rate]/[Reference Bond]/[CMT Rate]
- (xiv) Reset Reference Rate Conversion: [Applicable/Not Applicable]
- (xv) Original Reset Reference Rate Payment Basis: [Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
- (xvi) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate Replacement: [Applicable/Not Applicable]
- Mid-Swap Floating Leg Maturity: [●]
- Initial Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]
(If not applicable, delete “Initial Mid-Swap Rate” immediately below)
- Initial Mid-Swap Rate: [●] per cent.

- Reset Period Maturity [Applicable/Not Applicable]
Initial Mid-Swap Rate
Final Fallback: *(If not applicable, delete “Reset Period Maturity Initial Mid-Swap Rate” immediately below)*

- Reset Period Maturity [●] per cent.
Initial Mid-Swap Rate:

- Last Observable Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]

- (xvii) First Reset Period Fallback Yield: [●]/[Not Applicable]
(N.B. only applicable where the Reset Reference Rate is Reference Bond or CMT Rate)

- (xviii) Fallback Relevant Time: [●]/[Not Applicable]

- (xix) Reset Reference Banks: [●]

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

- (xxi) Determination Dates: [[●] in each year/Not Applicable]

- (xxii) Calculation Agent: [*Specify if not the Fiscal Agent*]/[The Fiscal Agent]

- 16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Interest Period(s): [●]

- (ii) Specified Interest Payment Dates: [●]

- (iii) First Interest Payment Date: [●]

- (iv) Interest Period Date: [●]
(Not applicable unless different from Interest Payment Date)

- (v) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
- (ix) Screen Rate Determination:
- Reference Rate: [[●] month] [LIBOR/EURIBOR/CIBOR/NIBOR/STIBOR]
- (N.B. The Reference Rate shall be any one of LIBOR, EURIBOR, NIBOR, STIBOR or CIBOR)*
- Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
 - Reference Banks: [●]
- (x) Reference Rate Replacement: [Applicable/Not Applicable]
- (xi) ISDA Definitions: [●]/[2006 ISDA Definitions]
- (xii) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (xiii) Margin(s): [+/-][●] per cent. per annum
- (xiv) Minimum Rate of Interest: [●] per cent. per annum
- (xv) Maximum Rate of Interest: [●] per cent. per annum

- (xvi) Day Count Fraction: [Actual/Actual – ISDA]
 [Actual/Actual – ICMA]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360][360/360][Bond Basis]
 [30E/360][Eurobond Basis]
 [30E/360 (ISDA)]
- (xvii) Determination Dates: [[●] in each year/Not Applicable]

PROVISIONS RELATING TO REDEMPTION

17. **Call Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount: [●]/[Early Redemption Amount]
- (iii) If redeemable in part: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraph)*
- (a) Maximum Redemption Amount: [●]
- (b) Minimum Redemption Amount: [●]
- (iv) Notice period: Minimum period: [15]/[●] days
 Maximum period: [30]/[●] days
18. **Put Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (Only applicable to Preferred Senior Notes)*
- (i) Optional Redemption Date(s) (Put): [●]
- (ii) Optional Redemption Amount (Put): [●]/[Early Redemption Amount]
- (iii) Notice period: Minimum period: [15]/[●] days
 Maximum period: [30]/[●] days
19. **Final Redemption Amount** [●]/[The Outstanding Principal Amount]

20. **Early Redemption Amount** [●]/[The Final Redemption Amount]
21. **Redemption for MREL/TLAC Disqualification Event** [Condition 6(e) applies/Not Applicable]
(Only applicable to Non-Preferred Senior Notes)
22. **Substitution and variation for Non-Preferred Senior Notes** [Applicable/Not Applicable]
(Only applicable to Non-Preferred Senior Notes)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: Uncertificated and dematerialised book entry form
24. Business Centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]
(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraph 16(vi) relates)
25. Other terms and conditions: [Not Applicable/[●]]

[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.]

Signed on behalf of Spar Nord Bank A/S:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on *[specify market – note this must not be a regulated market]* with effect from [].] [Not Applicable]

2. RATINGS

- Ratings: [The Notes to be issued have been rated:]
- [The Notes to be issued are expected to be rated:]
- [[●]: [●]]
- Insert one (or more) of the following options, as applicable:*
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] established in the EU and registered under Regulation (EC) No. 1060/2009 (as amended).]*
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] established in the EU and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the registration decision has not yet been provided.]*
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] not established in the EU and [is/are] not certified under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”) and the rating[s] [it has/they have] given to the Notes [is/are] not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.]*

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

[Save as discussed in the “*Subscription and Sale*” and “*General Information*” sections of the Base Prospectus, including any fees payable to [●] (the [Managers/Dealer]), so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. [The Issuer is acting in capacity as Issuer and [Manager/Dealer] in relation to the offer of the Notes. Accordingly, there may be a potential conflict of interest of the Issuer acting as Issuer and [Dealer/Manager] in relation to the offer of the Notes as the Issuer has an interest in the Notes being sold. (*Only to be included in offer of Notes where the Issuer is acting as Dealer/Manager*).] The [other] [Managers/Dealer] and [their/its] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.] (*Amend as appropriate if there are other interests*)

4. **[YIELD]**
(Include for Fixed Rate Notes and Reset Notes only)

Indication of yield: [●]

5. **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

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]

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] *(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)*]

Securities Depository: [VP/VPS]

[The Issuer shall be entitled to obtain certain information from the registers maintained by VP for the purpose of performing its obligations under the issue of the Notes.]

(Delete the above paragraph where such entitlement of the Issuer will not apply to a Series of Notes.)

6. **DISTRIBUTION**

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

(ii) If syndicated, names of Managers: [Not Applicable/[●]]

(iii) Date of Subscription Agreement: [●]

(iv) Stabilisation Manager(s) (if any): [Not Applicable/[●]]

(v) If non-syndicated, name of relevant Dealer: [Not Applicable/[●]]

(vi) U.S. Selling Restriction: Reg. S Compliance Category 2

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

7. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

- (i) Reasons for the offer: [See “*Use of Proceeds*” in the Base Prospectus/[*Give details*]]

(See “Use of Proceeds” wording in the Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details)

- (ii) Estimated net proceeds: [●]

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms or (in the case of Exempt Notes only) subject to completion and/or amendment and/or replacement by the relevant Pricing Supplement, shall be applicable to the Notes. All capitalised terms that are not defined in the Conditions will have the meanings given to them in Part A of the relevant Final Terms or (in the case of Exempt Notes only) the relevant Pricing Supplement. Unless the context otherwise requires, references in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

1. Introduction

- (a) **Programme:** Spar Nord Bank A/S, CVR no. 13737584, Legal Entity Identifier (LEI): 549300DHT635Q5P8J715 (the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of notes (the “**Notes**”).
- (b) **Final Terms or Pricing Supplement:** Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche of Notes other than Exempt Notes (as defined below) is the subject of a final terms document (the “**Final Terms**”) which completes these Terms and Conditions (the “**Conditions**”). Each Tranche of Exempt Notes is the subject of a pricing supplement (the “**Pricing Supplement**”) which completes and/or amends and/or replaces the Conditions. The terms and conditions applicable to any particular Tranche of Notes are the Conditions as completed by the relevant Final Terms or (in the case of Exempt Notes only) as completed and/or amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between the Conditions and the relevant Final Terms or Pricing Supplement, as applicable, the relevant Final Terms or Pricing Supplement, as applicable, shall prevail. Where a particular Condition is applicable only to certain classes or to a particular Tranche or Series of Notes, “Notes” shall be construed in accordance with the relevant Condition. References herein to “**Exempt Notes**” are to Notes for which no prospectus is required to be published under the Prospectus Regulation (as defined below).
- (c) **Recording of Notes in dematerialised form:** Each Series of Notes issued under the Programme will be recorded electronically in dematerialised form with either:
- (i) VP Securities A/S (“**VP**”, with such term deemed to include any successor or replacement thereto), Weidekampsgade 14, DK-2300 Copenhagen S, Denmark, CVR no. 21599336, in accordance with an agreement between the Issuer (in such capacity, the “**VP Issuing Agent**”) and VP (effective date 18 July 2017) and the terms and conditions in effect from time to time of VP; or
 - (ii) Verdipapirsentralen ASA (“**VPS**”, with such term deemed to include any successor or replacement thereto), Fred. Olsens gate 1, N-0152Oslo, Norway in accordance with an agreement between the Issuer and Danske Bank A/S (the “**VPS Issuing Agent**”) (effective date 13 November 2019) and the terms and conditions in effect from time to time of VPS,

as specified in the relevant Final Terms or Pricing Supplement, as applicable.

In relation to a Series of Notes, references herein to “**Securities Depository**” shall mean whichever of VP or VPS is so specified in the relevant Final Terms or Pricing Supplement, as applicable, and references herein to “**Issuing Agent**” shall mean:

- (A) if the Securities Depository is VP, the VP Issuing Agent; and
- (B) if the Securities Depository is VPS, the VPS Issuing Agent.

In relation to a Series of Notes, settlement of such Notes will take place on:

- (A) if the Securities Depository is VP, the VP settlement platform, or on the TARGET2-Securities (T2S) platform, if the required conditions for T2S settlement as set out in VP's settlement rules are fulfilled. The T2S platform provides harmonised and commoditised delivery-versus-payment settlement and corporate actions processing in central bank money; or
- (B) if the Securities Depository is VPS, the VPS settlement platform. Any such Notes settled on the VPS settlement platform must comply with the Norwegian Act on Registration of Financial Instruments of 5 July 2002 No. 64 and the rules of the VPS, as amended from time to time, and the holders of such Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation as well as the terms and conditions in effect from time to time of the VPS.

All subsequent references in the Conditions to "Notes" are, unless the context otherwise requires, to the Notes of the relevant Series.

2. Definitions

In the Conditions, in addition to the expressions defined in Condition 1 above, the following expressions have the following meanings:

"**Additional Amounts**" shall have the meaning given in Condition 8(a);

"**Additional Tier 1 Capital**" means capital which is treated as Additional Tier 1 capital (in Danish: "*hybrid kernekapital*") (or any equivalent or successor term) under the CRD/CRR requirements by the Relevant Regulator for the purposes of the Issuer and/or the Group, as applicable;

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the relevant 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 Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (ii) (if no such formal recommendation has been made, or in the case of an Alternative Reference Rate) the relevant Independent Adviser or the Issuer (as applicable) determines is customarily applied to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) (if the relevant Independent Adviser or the Issuer (as applicable) determines that no such spread is customarily applied) the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been

replaced by the relevant Successor Reference Rate or Alternative Reference Rate (as applicable);

“**Aggregate Nominal Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Alternative Reference Rate**” means an alternative benchmark or screen rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of debt securities denominated in the Specified Currency and of a comparable duration:

- (i) in the case of Floating Rate Notes, to the relevant Interest Accrual Periods; or
- (ii) in the case of Reset Notes, to the relevant Reset Periods,

or, in any case, if the relevant Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Original Reference Rate;

“**Applicable MREL/TLAC Regulations**” means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Denmark giving effect to any MREL/TLAC Requirement or any successor regulations then applicable to the Issuer and/or the Group, including, without limitation to the generality of the foregoing, CRD/CRR, the BRRD and those regulations, requirements, guidelines and policies giving effect to any MREL/TLAC 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);

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

- (i) such Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or
- (ii) the later of (A) the making of a public statement by the administrator of such Original Reference Rate that it will, on or before a specified date, cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate) and (B) the date falling six months prior to the specified date referred to in (i)(A); or
- (iii) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that such Original Reference Rate has been permanently or indefinitely discontinued; or
- (iv) the later of (A) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that such Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the specified date referred to in (iv)(A); or
- (v) the later of (A) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that means such Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (B) the date falling six months prior to the specified date referred to in (v)(A); or

- (vi) it has or will prior to the next Interest Determination Date or Reset Determination Date (as applicable) become unlawful for the Calculation Agent to calculate any payments due to be made to the Noteholders using such Original Reference Rate; or
- (vii) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

“**Broken Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**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 Danish law transposing or implementing such Directive), as amended or replaced from time to time (including, for the avoidance of doubt, the amendments to such Directive resulting from Directive (EU) 2019/879 of the European Parliament and of the Council dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019);

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres;

“**Business Centre(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Calculation Agent**” means the Fiscal Agent or such other person specified in the relevant Final Terms or Pricing Supplement, as applicable, as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Calculation Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Capital Event**” means, in respect of a Series of Subordinated Notes, at any time, on or after the date of issue of the last Tranche of such Notes, there is a change in the regulatory classification of such Notes that results or will result in:

- (i) their exclusion, in whole or in part, from the regulatory capital of the Issuer and/or the Group; or
- (ii) reclassification, in whole or in part, as a lower quality form of regulatory capital of the Issuer and/or the Group,

in each case provided that (a) the Issuer satisfies the Relevant Regulator that the regulatory reclassification of such Notes was not reasonably foreseeable at the time of their issuance and (b) the Relevant Regulator considers such a change to be sufficiently certain;

“**CIBOR**” means the Copenhagen interbank offered rate;

“**Code**” has the meaning given in Condition 8(c);

“**Common Equity Tier 1 Capital**” means common equity tier 1 capital (or any equivalent or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with the CRD/CRR requirements and any applicable transitional arrangement under the CRD/CRR requirements;

“**Common Equity Tier 1 Capital Ratio**” means (at any time):

- (i) in relation to the Issuer, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer divided by the Risk Exposure Amounts of the Issuer; and
- (ii) in relation to the Group, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Group divided by the Risk Exposure Amounts of the Group,

in each case, all as calculated by the Issuer in accordance with the CRD/CRR requirements at such time and any applicable transitional arrangements under the CRD/CRR requirements at such time and reported to the Relevant Regulator;

“**CRD/CRR**” means, as the context requires, any or any combination of the CRD Directive, the CRR and any CRD/CRR Implementing Measures;

“**CRD 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 Danish law transposing or implementing such Directive), as amended or replaced from time to time (including, for the avoidance of doubt, the amendments to such Directive resulting from Directive (EU) 2019/878 of the European Parliament and of the Council as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019);

“**CRD/CRR Implementing Measures**” means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer and/or the Group 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 Directive or the CRR, including for the avoidance of doubt any regulatory technical standards guidelines, recommendations and/or opinions released from time to time by the European Banking Authority (or any successor or replacement thereof) or the Relevant Regulator, as the case may be;

“**CRR**” means Regulation (EU) No. 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 (including, for the avoidance of doubt, the amendments to such Regulation resulting from Regulation (EU) 2019/876 of the European Parliament and of the Council as regards the leverage ratio,

the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019);

“**Danish Act on Recovery and Resolution of certain Financial Businesses**” means the Danish Act on Recovery and Resolution of certain Financial Businesses (Act No. 24 of 4 January 2019, as amended or replaced from time to time);

“**Danish Bankruptcy Act**” means the Danish Bankruptcy Act (Consolidated Act no. 11 of 6 January 2014, as amended or replaced from time to time);

“**Danish Capital Markets Act**” means the Danish Capital Markets Act (Consolidated Act no. 931 of 6 September 2019, as amended or replaced from time to time);

“**Danish Companies Act**” means the Danish Companies Act (Consolidated Act No. 763 of 23 July 2019, as amended or replaced from time to time);

“**Danish Financial Business Act**” means the Danish Financial Business Act (Consolidated Act No. 937 of 6 September 2019, as amended or replaced from time to time);

“**Danish Limitation Act**” means the Danish Limitations Act (Consolidated Act no. 1238 of 9 November 2015, as amended or replaced from time to time);

“**Danish 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 Denmark, relating to (i) the transposition of the BRRD (or, as the case may be, any provision of Danish 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 Ordinary Shares, other Securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual – ISDA**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/Actual – ICMA**” is specified in the relevant Final Terms or Pricing Supplement, as applicable,
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date specified as such in the relevant Final Terms or Pricing Supplement, as applicable, or, if none is so specified, the Interest Payment Date;

- (iii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/365 (Sterling)**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if “**Actual/360**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 360;
- (vi) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30;

- (vii) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case **D₂** will be 30;

- (viii) if “**30E/360 (ISDA)**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless (i) that day is the last day of February but not the Maturity Date (if any) or (ii) such number would be 31, in which case D₂ will be 30;

“**Enforcement Events**” has the meaning given in Condition 11;

“**EURIBOR**” means the Euro-zone interbank offered rate;

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**Events of Default**” has the meaning given in Condition 10;

“**Fallback Relevant Time**” means the time specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Final Redemption Amount**” means, in respect of any Note, its Outstanding Principal Amount or such other amount as may be specified in, or determined in accordance with, the Conditions or the relevant Final Terms or Pricing Supplement, as applicable;

“**First Reset Date**” means the date specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**First Reset Margin**” means the margin specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

“**First Reset Period**” means the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms or Pricing Supplement, as applicable, the Maturity Date (if any);

“**First Reset Period Fallback Yield**” means the yield specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**First Reset Rate of Interest**” means, in respect of the First Reset Period and, if applicable, subject to Condition 5(b)(iii) and Condition 5(b)(iv), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Reset Margin;

“**Fiscal Agent**” has the meaning given in Condition 12(a);

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Group**” means the Issuer together with its Subsidiaries and other entities that are consolidated in the calculation of the Issuer’s Common Equity Tier 1 Capital Ratio on a consolidated level in accordance with the CRD/CRR requirements;

“**H.15(519)**” means the weekly statistical release designated as H.15(519), or any successor publication, published by the board of governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or such other page, section, successor site or publication as may replace it;

“IA Determination Cut-off Date” means;

- (i) in the case of Floating Rate Notes, in any Interest Period, the date that is no later than five Business Days prior to the Interest Determination Date relating to the immediately following Interest Accrual Period; or
- (ii) in the case of Reset Notes, in any Reset Period, the date that is no later than five Business Days prior to the Reset Determination Date relating to the immediately following Reset Period;

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

“Initial Mid-Swap Rate” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“Initial Rate of Interest” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“Interest Accrual Period” means (as applicable):

- (i) the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date; and
- (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due;

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes or Reset Notes, and unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms or Pricing Supplement, as applicable, as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

“Interest Basis” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the relevant Final Terms or Pricing Supplement, as applicable;

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or Pricing Supplement, as applicable, or, if none is so specified:

- (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling; or

- (ii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro; or
- (iii) the day falling two Business Days in Copenhagen prior to the first day of such Interest Accrual Period if the Specified Currency is Danish Kroner; or
- (iv) the day falling two Business Days in Oslo prior to the first day of such Interest Accrual Period if the Specified Currency is Norwegian Kroner; or
- (v) the day falling two Business Days in Stockholm prior to the first day of such Interest Accrual Period if the Specified Currency is Swedish Kroner; or
- (vi) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, euro, Danish Kroner, Norwegian Kroner or Swedish Kroner;

“**Interest Payment Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms or Pricing Supplement, as applicable;

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Issue Date**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Issuer Determination Cut-off Date**” means:

- (i) in the case of Floating Rate Notes, the date that is no later than three Business Days prior to the Interest Determination Date relating to the immediately following Interest Accrual Period; or
- (ii) in the case of Reset Notes, in any Reset Period, the date that is no later than three Business Days prior to the Reset Determination Date relating to the immediately following Reset Period;

“**Junior Securities**” means any securities of the Issuer that rank, or are expressed to rank, junior to the Subordinated Notes. For the avoidance of doubt, this includes, without limitation, all of the Issuer’s existing Tier 1 Capital and any of its other existing and future securities ranking, or expressed to rank, pari passu therewith;

“**LIBOR**” means the London interbank offered rate;

“**Margin**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Material Subsidiary**” means a Subsidiary of the Issuer as to which either or both of the following conditions is satisfied:

- (i) its net profits attributable to the Issuer (before taxation and extraordinary items) for its last completed financial year are not less than 5 per cent., of the consolidated net profits (before taxation and extraordinary items but after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year; or
- (ii) its gross assets attributable to the Issuer for its last completed financial year represent 5 per cent., or more of the consolidated gross assets (after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year.

A certificate by the Issuer’s auditors as to whether a Subsidiary of the Issuer is or is not, or was or was not, at any particular time, a Material Subsidiary shall be conclusive;

“**Maturity Date**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Maximum Redemption Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Mid-Market Swap Rate**” means, subject as provided in Condition 5(c)(v), if applicable, for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Reset Reference Rate Payment Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Maturity (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

“**Mid-Market Swap Rate Quotation**” means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

“**Mid-Swap Floating Leg Benchmark Rate**” means, subject as provided in Condition 5(c)(v), if applicable, EURIBOR (if the Specified Currency is euro), LIBOR for the Specified Currency (if the Specified Currency is U.S. dollars, Pounds Sterling or Swiss Francs), CIBOR (if the Specified Currency is Danish Kroner), NIBOR (if the Specified Currency is Norwegian Kroner), STIBOR (if the Specified Currency is Swedish Kroner) or (in the case of any other Specified Currency) the benchmark rate most closely connected with such Specified Currency and selected by the Calculation Agent in its discretion after consultation with the Issuer;

“**Mid-Swap Floating Leg Maturity**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Minimum Redemption Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**MREL/TLAC Disqualification Event**” means, in respect of a Series of Non-Preferred Senior Notes, the determination by the Issuer that, as a result of:

- (i) the implementation of any Applicable MREL/TLAC Regulations on or after the date of issue of the last Tranche of such Series; or
- (ii) a change in any Applicable MREL/TLAC Regulations becoming effective on or after the date of issue of the last Tranche of such Series,

all or part of the Outstanding Principal Amounts of such Series of Notes will be excluded from the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL/TLAC Requirement (however called or defined by then Applicable MREL/TLAC Regulations) if the Issuer and/or the Group is/are then or, as the case may be, will be subject to such MREL/TLAC Requirement, provided that a MREL/TLAC Disqualification Event shall not occur where such exclusion is or will be caused by (1) the remaining maturity of such Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL/TLAC 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/TLAC Requirement(s) being exceeded;

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

“**MREL/TLAC Requirement**” means the total loss-absorbing capacity requirement and/or the minimum requirement for own funds and eligible liabilities, in each case which is or, as the case may be, will be, applicable to the Issuer and/or the Group;

“**NIBOR**” means the Norwegian interbank offered rate;

“**Non-Preferred Senior Notes**” means the Notes (i) specified as such in the relevant Final Terms or Pricing Supplement, as applicable and (ii) having the status set out in Condition 4(b);

“**Non-Preferred Senior Obligations**” means any unsubordinated and unsecured liabilities of the Issuer which rank below (i) any Preferred Senior Notes issued by the Issuer and (ii) any obligations of the Issuer that rank *pari passu* with any Preferred Senior Notes upon an insolvency of the Issuer in accordance with Section 13(3) of the Danish Act on Recovery and Resolution Act of certain Financial Businesses;

“**Noteholder**” means, in relation to a Note, the person evidenced as the owner of such Note by a book entry in the records of the Securities Depository and “holder of a Note” (and related expressions) shall be construed accordingly;

“**Noteholder Extraordinary Consent**” has the meaning given in Condition 13(e);

“**Noteholders’ Meeting**” means a Noteholders’ meeting held pursuant to Condition 14;

“**Optional Redemption Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Optional Redemption Date**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Ordinary Shares**” means fully paid-up ordinary shares in the capital of the Issuer;

“Original Reference Rate” means:

- (i) the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) of the relevant Notes; or
- (ii) any Successor Reference Rate or Alternative Reference Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 5(c)(v),

as applicable;

“Original Reset Reference Rate Payment Basis” has the meaning given in the relevant Final Terms or Pricing Supplement. In the case of Notes other than Exempt Notes, the Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

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

- (i) those that have been redeemed in accordance with the Conditions;
- (ii) those which have become void or in respect of which claims have become prescribed;
- (iii) those which have been purchased and cancelled as provided in the Conditions;

provided that, for the purposes of:

- (i) ascertaining the right to attend and vote at any meeting of Noteholders; and
- (ii) the determination of how many Notes are outstanding for the purposes of Conditions 13 and 15, as applicable,

those Notes that are held by, or are held on behalf of, the Issuer or any of its Subsidiaries and not cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding;

“Outstanding Principal Amount” means, in respect of a Note:

- (i) unless sub-paragraph (ii) below applies, the outstanding principal amount of such Note; or
- (ii) the outstanding principal amount of such Note as adjusted from time to time for any reduction of the principal amount of such Note required by then current legislation and/or regulations applicable to the Issuer,

and **“Outstanding Principal Amounts”** means the sum of the Outstanding Principal Amount of each Note;

“Paying Agent” has the meaning given in Condition 12(a);

“Permission Withdrawal Early Redemption Restriction” has the meaning given to such term in Condition 6(k);

“person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Preferred Senior Notes” means the Notes (i) specified as such in the relevant Final Terms or Pricing Supplement, as applicable and (ii) having the status set out in Condition 4(a);

“Prospectus Regulation” means Regulation (EU) 2017/1129, as amended or replaced from time to time;

“Qualifying Non-Preferred Senior Notes” means, in respect of a Series of Non-Preferred Senior Notes, at any time, any securities issued or guaranteed by the Issuer that:

- (i) contain terms which comply with the then current requirements for “eligible liabilities” (or any equivalent or successor term) provided for in the Applicable MREL/TLAC Regulations in relation to the relevant MREL/TLAC Requirement(s) (which, for the avoidance of doubt, may result in the relevant securities not including, or restricting for a period of time the application of, one or more of the early redemption rights which are included in such Notes); and
- (ii) carry the same rate of interest from time to time applying to such Notes prior to the relevant substitution or variation pursuant to Condition 6(j); and
- (iii) have the same currency of payment, denomination, original principal amount and Outstanding Principal Amounts as such Notes prior to the relevant substitution or variation pursuant to Condition 6(j); and
- (iv) have the same Maturity Date and the same Interest Payment Dates as such Notes prior to the relevant substitution or variation pursuant to Condition 6(j); and
- (v) have at least the same ranking as such Notes prior to the relevant substitution or variation pursuant to Condition 6(j); and
- (vi) shall not, immediately following the relevant substitution or variation pursuant to Condition 6(j), be subject to a MREL/TLAC Disqualification Event and/or a Tax Event; and
- (vii) have terms not prejudicial to the interests of the holders of such Notes compared to the terms of such Notes provided that the Issuer shall have delivered a certificate to that effect signed by two members of its Executive Board to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent’s specified office during its normal business hours) not less than 5 Business Days prior to (x) in the case of a substitution of such Notes pursuant to Condition 6(j), the issue date of the relevant securities or (y) in the case of a variation of such Notes pursuant to Condition 6(j), the date such variation becomes effective; and
- (viii) if (A) such Notes were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) such Notes were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer; and
- (ix) if one or more solicited credit ratings were assigned to such Notes immediately prior to the relevant substitution or variation pursuant to Condition 6(j), are assigned (or maintain) at least the same solicited credit rating(s) as were assigned to such Notes immediately prior to the relevant substitution or variation pursuant to Condition 6(j);

“Qualifying Subordinated Notes” means, in respect of a Series of Subordinated Notes, at any time, any securities issued or guaranteed by the Issuer that:

- (i) contain terms which comply with the then current requirements of the Relevant Regulator in relation to Tier 2 Capital; and

- (ii) carry the same rate of interest from time to time applying to such Notes prior to the relevant substitution or variation pursuant to Condition 6(j); and
- (iii) have the same currency of payment, denomination, original principal amount and Outstanding Principal Amounts as such Notes prior to the relevant substitution or variation pursuant to Condition 6(j); and
- (iv) have the same Maturity Date and the same Interest Payment Dates as such Notes prior to the relevant substitution or variation pursuant to Condition 6(j); and
- (v) have at least the same ranking as such Notes prior to the relevant substitution or variation pursuant to Condition 6(j); and
- (vi) shall not, immediately following the relevant substitution or variation pursuant to Condition 6(j), be subject to a Capital Event and/or a Tax Event; and
- (vii) have terms not prejudicial to the interests of the holders of such Notes compared to the terms of such Notes and provided that the Issuer shall have delivered a certificate to that effect signed by two members of its Executive Board to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than 5 Business Days prior to (x) in the case of a substitution of such Notes pursuant to Condition 6(j), the issue date of the relevant securities or (y) in the case of a variation of such Notes pursuant to Condition 6(j), the date such variation becomes effective; and
- (viii) if (A) such Notes were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) such Notes were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer; and
- (ix) if one or more solicited credit ratings were assigned to such Notes immediately prior to the relevant substitution or variation pursuant to Condition 6(j), are assigned (or maintain) at least the same solicited credit rating(s) as were assigned to such Notes immediately prior to the relevant substitution or variation pursuant to Condition 6(j);

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Final Terms or Pricing Supplement, as applicable and subject, at all times, if any such rate is below zero, that such rate will be deemed to be zero, unless otherwise stated in the relevant Final Terms or Pricing Supplement, as applicable;

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

“**Reference Bond**” means, in relation to any Reset Period, a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany), as selected by the Issuer on the advice of an investment bank of international

repute, 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 Specified Currency and of a comparable maturity to such Reset Period;

“Reference Bond Quotation” means, in relation to a Reset Reference Bank and a Reset Determination Date:

- (i) if Reference Bond is specified as the Reset Reference Rate in the relevant Final Terms or Pricing Supplement, as applicable, the arithmetic mean, as determined by the Calculation Agent, of the bid and offered yields for the relevant Reference Bond provided to the Calculation Agent by such Reset Reference Bank at approximately the Relevant Time on such Reset Determination Date; or
- (ii) if CMT Rate is specified as the Reset Reference Rate in the relevant Final Terms or Pricing Supplement, as applicable, the rate, as determined by the Calculation Agent, as being a yield-to-maturity based on the arithmetic mean of the secondary market bid prices of such Reset Reference Bank for the relevant Reset United States Treasury Securities at approximately the Fallback Relevant Time on such Reset Determination Date;

“Reference Rate” means the rate specified as such in the relevant Final Terms or Pricing Supplement, as applicable, subject as provided in Condition 5(c)(v). In the case of Notes other than Exempt Notes, the Reference Rate shall be any one of LIBOR, EURIBOR, NIBOR, STIBOR or CIBOR, subject as provided in Condition 5(c)(v);

“Regulated Market” means a regulated market for the purposes of Directive 2014/65/EU (as amended or replaced from time to time);

“Relevant Date” means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 19;

“Relevant Nominating Body” means, in respect of an Original Reference Rate:

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

“Relevant Regulator” means, in relation to the Issuer or the Group, as the case may be, the Danish Financial Supervisory Authority and any successor or replacement thereto, and/or such other authority having primary responsibility for the prudential oversight and supervision of the Issuer or the Group and/or (in the case of Non-Preferred Senior Notes) the Relevant Resolution Authority (if applicable), in any case as determined by the Issuer;

“Relevant Reset Margin” means, in respect of a Reset Period, whichever of the First Reset Margin or the Subsequent Reset Margin is applicable for the purpose of determining the Rate of Interest in respect of such Reset Period;

“**Relevant Resolution Authority**” means the resolution authority with the ability to exercise any Danish Statutory Loss Absorption Powers (or any other power under the BRRD) in relation to the Issuer and/or the Group;

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms or Pricing Supplement, as applicable, or such other page, section, caption, column 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 (as applicable) (i) displaying rates or prices comparable to the relevant Reference Rate or (ii) displaying rates or yields (as the case may be) for the relevant Reset Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Reset Date**” means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

“**Reset Determination Date**” means, in respect of a Reset Period, the date specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

“**Reset Period**” means the First Reset Period or a Subsequent Reset Period, as the case may be;

“**Reset Period Maturity Initial Mid-Swap Rate**” has the meaning specified in the relevant Final Terms or Pricing Supplement ;

“**Reset Reference Bank Rate**” means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) determined on the basis of the Reference Bond Quotations provided by the Reset Reference Banks to the Calculation Agent at:

- (i) if Reference Bond is specified as the Reset Reference Rate in the relevant Final Terms or Pricing Supplement, as applicable, the Relevant Time; or
- (ii) if CMT Rate is specified as the Reset Reference Rate in the relevant Final Terms or Pricing Supplement, as applicable, the Fallback Relevant Time,

in each case, on such Reset Determination Date. If at least three such Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reset Reference Bank Rate for the relevant Reset Interest Period will be (a) in the case of each Reset Period other than the First Reset Period, the Reset Reference Bank Rate in respect of the immediately preceding Reset Period or (b) in the case of the First Reset Period, the First Reset Period Fallback Yield;

“**Reset Reference Banks**” means:

- (i) if Mid-Swap Rate is specified as the Reset Reference Rate in the relevant Final Terms or Pricing Supplement, as applicable, the principal office in the principal financial centre of the

Specified Currency of five major banks in the swap, money, securities or other market most closely connected with the relevant Reset Reference Rate;

- (ii) if Reference Bond is specified as the Reset Reference Rate in the relevant Final Terms or Pricing Supplement, as applicable, the principal office in the principal financial centre of the Specified Currency of five major banks which are primary government securities dealers or market makers in pricing corporate bond issues denominated in the Specified Currency; or
- (iii) if CMT Rate is specified as the Reset Reference Rate in the relevant Final Terms or Pricing Supplement, as applicable, the principal office in New York City of five major banks which are primary United States Treasury Securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars,

in each case, as selected by the Issuer in its discretion after consultation with the Calculation Agent;

“**Reset Reference Rate**” means, in relation to a Reset Determination Date and subject to Condition 5(b)(iii) and Condition 5(c)(v), if applicable:

- (i) if Mid-Swap Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable:
 - (a) if Single Mid-Swap Rate is further specified in the relevant Final Terms or Pricing Supplement, as applicable, the rate for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
 - (b) if Mean Mid-Swap Rate is further specified in the relevant Final Terms or Pricing Supplement, as applicable, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately the Relevant Time on such Reset Determination Date, all as determined by the Calculation Agent; or

- (ii) if Reference Bond is specified in the relevant Final Terms or Pricing Supplement, as applicable:
 - (a) the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered yields of the relevant Reference Bond, as determined by the Calculation Agent by reference to the Relevant Screen Page at the Relevant Time on such Reset Determination Date; or

- (b) if such rate does not appear on the Relevant Screen Page at such Relevant Time on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date; or
- (iii) if CMT Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable, and if the Specified Currency is U.S. dollars, the rate which is equal to:
 - (a) the yield for United States Treasury Securities at “constant maturity” for a designated maturity which is equal or comparable to the duration of the relevant Reset Period, as published in the H.15(519) under the caption “treasury constant maturities (nominal)”, as that yield is displayed on such Reset Determination Date, on the Relevant Screen Page; or
 - (b) if the yield referred to in paragraph (a) above is not published by the Relevant Time on the Relevant Screen Page on such Reset Determination Date, the yield for the United States Treasury Securities at “constant maturity” for a designated maturity which is equal or comparable to the duration of the relevant Reset Period as published in H.15(519) under the caption “treasury constant maturities (nominal)” on such Reset Determination Date; or
 - (c) if the yield referred to in paragraph (b) above is not published by the Fallback Relevant Time on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date,

in each case, all as determined by the Calculation Agent;

“**Reset United States Treasury Securities**” means, in relation to a Reset Determination Date, United States Treasury Securities:

- (i) with a designated maturity which is equal or comparable to the duration of the relevant Reset Period, a remaining term to maturity of no less than one year less than a maturity which is equal or comparable to the duration of the relevant Reset Period; and
- (ii) in a principal amount equal to an amount that is representative for a single transaction in such United States Treasury Securities in the New York City market. If two United States Treasury Securities have remaining terms to maturity equally close to the duration of the relevant Reset Period, the United States Treasury Security with the shorter remaining term to maturity will be used for the purposes of the relevant determination;

“**Risk Exposure Amounts**” means the aggregate amount of the risk exposure amounts (or any equivalent or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with the CRD/CRR requirements and any applicable transitional arrangements under the CRD/CRR requirements;

“**Second Reset Date**” means the date specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Securities**” means any securities including, without limitation, shares in the capital of the Issuer;

“**Security Interest**” includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including, without limitation, retention of title and any deposit of money by way of security), but excluding (a) any charge or lien arising in favour of any government or any governmental, semi-governmental or judicial entity or authority by operation of statute (provided there is no default in payment of moneys owing under such charge or lien), (b) a right of title retention

in connection with the acquisition of goods in the ordinary course of business on the terms of sale of the supplier (provided there is no default in connection with the relevant acquisition) and (c) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off;

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or Pricing Supplement, as applicable, or, if none is specified, the currency in which the Notes are denominated;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**STIBOR**” means the Stockholm interbank offered rate;

“**Subordinated Notes**” means the Notes (i) specified as such in the relevant Final Terms or Pricing Supplement, as applicable and (ii) having the status set out in Condition 4(c);

“**Subsequent Reset Date**” means the date or dates specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Subsequent Reset Margin**” means the margin specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

“**Subsequent Reset Period**” means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date or the Maturity Date (if any), as the case may be;

“**Subsequent Reset Rate of Interest**” means, in respect of any Subsequent Reset Period and, if applicable, subject to Condition 5(b)(iii) and Condition 5(b)(iv), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Reset Margin;

“**Subsidiary**” means, in relation to any entity, any company which is for the time being a subsidiary within the meaning of Sections 5-7 of the Danish Companies Act;

“**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 Original Reference Rate which is formally recommended by any Relevant Nominating Body;

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

“**Tax Event**” means, in respect of a Series of Non-Preferred Senior Notes or Subordinated Notes:

- (i) as a result of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date of issue of the last Tranche of such Notes, the Issuer receives an opinion of external counsel in Denmark that (A) it would be required to pay Additional Amounts as provided in Condition 8 or (B) to the extent a payment of interest under the Notes was tax deductible for the purposes of Danish tax prior to the relevant change, it will no longer be able to obtain a tax deduction for the purposes of Danish tax for any payment of interest under such Notes, in each case in respect of such Notes provided that the Issuer satisfies the

Relevant Regulator that such change in tax treatment of such Notes is material and was not reasonably foreseeable at the time of their issuance; and

- (ii) (in the case of (i)(A) only) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

“**Tier 1 Capital**” means capital which is treated as a constituent of Tier 1 under the CRD/CRR requirements by the Relevant Regulator for the purposes of the Issuer and/or the Group, as applicable;

“**Tier 2 Capital**” means capital which is treated as a constituent of Tier 2 under the CRD/CRR requirements by the Relevant Regulator for the purposes of the Issuer and/or the Group, as applicable; and

“**United States Treasury Securities**” means securities that are direct obligations of the United States Treasury, issued other than on a discount basis.

3. Form, Issue Date, denomination, currency, nominal amount, trades, transferability and title

(a) Form, Issue Date, currency, denomination, nominal amount and trades:

- (i) The Notes are issued in uncertificated and dematerialised book-entry form through the Securities Depository.
- (ii) The Issue Date for each Tranche of Notes is specified in the relevant Final Terms or Pricing Supplement, as applicable.
- (iii) The Notes are denominated in the Specified Currency. The Aggregate Nominal Amount for each Tranche of Notes is specified in the relevant Final Terms or Pricing Supplement, as applicable. The Notes shall be registered in the Securities Depository in multiples corresponding to the Specified Denomination. 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. It may be specified in Specified Denominations in the relevant Final Terms or Pricing Supplement, as applicable, that all trades in Notes as well as the initial subscription for Notes shall be in a certain minimum amount. In respect of Notes other than Exempt Notes either (i) all trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of €100,000 or (ii) the minimum specified denomination of each Note will be €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency).
- (iv) The Notes are Preferred Senior Notes, Non-Preferred Senior Notes or Subordinated Notes, depending upon the status specified in the relevant Final Terms or Pricing Supplement, as applicable.
- (v) The Notes are also Fixed Rate Notes, Reset Notes, Floating Rate Notes, or a combination of any of the foregoing, depending upon the Interest Basis specified in the relevant Final Terms or Pricing Supplement, as applicable.

(b) Transferability and title:

- (i) The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes specified under “Specified Denomination(s)” in the relevant Final Terms or Pricing Supplement, as applicable,

or under laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

- (ii) Legal title to the Notes will pass by electronic registration in the book entry system and register maintained by the Securities Depository in accordance with the rules and procedures of the Securities Depository from time to time. A Noteholder shall (except as otherwise required by law) be treated as the absolute owner of the relevant Notes for all purposes and no person shall be liable for so treating such Noteholder. For the avoidance of doubt, if the Securities Depository is VPS, where a nominee is evidenced as the owner of a Note by a book entry in the records of the Securities Depository, it shall be treated by the Issuer as the holder of the relevant Note.
- (iii) If the Securities Depository is VP, the Issuer shall, if so specified in the relevant Final Terms or Pricing Supplement, as applicable, to the extent permitted under applicable regulations and the rules and procedures of the Securities Depository from time to time, have access on demand to static data and ownership of the Noteholders registered in the securities register.
- (iv) The Issuer may use the information referred to in Condition 3(b)(iii) only for the purposes of carrying out its duties and exercising its rights in accordance with the Conditions and shall not disclose such information to any Noteholder.

4. Status of the Notes

- (a) **Preferred Senior Notes:** The Preferred Senior Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank:
 - (i) *pari passu* without any preference among themselves;
 - (ii) at least *pari passu* with all other outstanding senior, unsecured and unsubordinated obligations of the Issuer (save for obligations which may be preferred by law, including obligations benefitting from a preferred ranking to the Preferred Senior Notes), present and future, without any preference by reason of priority of date of creation, currency of payment or otherwise; and
 - (iii) senior to any Non-Preferred Senior Obligations of the Issuer as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.
- (b) **Non-Preferred Senior Notes:** The Non-Preferred Senior Notes constitute Non-Preferred Senior Obligations of the Issuer.

The Non-Preferred Senior Notes constitute direct and unsecured debt obligations of the Issuer, and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Non-Preferred Senior Notes (including any other Non-Preferred Senior Obligations of the Issuer), in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

- (iii) senior to holders of the Ordinary Shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Non-Preferred Senior Notes, or any obligations pursuant to Section 98 of the Danish Bankruptcy Act, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
 - (iv) junior to present or future claims of (a) depositors of the Issuer, (b) unsubordinated creditors of the Issuer pursuant to Section 97 of the Danish Bankruptcy Act and (c) any other unsubordinated creditors of the Issuer that are not creditors in respect of Non-Preferred Senior Obligations of the Issuer, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.
- (c) **Subordinated Notes:** The Subordinated Notes (in Danish: “*kapitalbeviser*”) on issue constitute Tier 2 Capital of the Issuer.

The Subordinated Notes constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
 - (ii) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Tier 2 Capital and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
 - (iii) senior to holders of the Ordinary Shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes including any Junior Securities, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
 - (iv) junior to present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer (including any Non-Preferred Senior Obligations) and (c) subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Subordinated Notes.
- (d) **No right of set-off or counterclaim:** This Condition 4(d) is only applicable to Non-Preferred Senior Notes and Subordinated Notes. No Noteholder, who shall in the event of the liquidation or bankruptcy of the Issuer be indebted to the Issuer, shall 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.

The Issuer reserves the right in the future to issue other notes or instruments, with identical or other ranking than the Notes.

5. Interest and other calculations

(a) Interest on Fixed Rate Notes:

- (i) *Application:* The provisions in this Condition 5(a) on Fixed Rate Notes shall only apply if the Fixed Rate Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable to one or more Interest Period(s).
- (ii) *Interest on Fixed Rate Notes:* Each Fixed Rate Note bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

(b) Interest on Reset Notes:

- (i) *Application:* The provisions in this Condition 5(b) on Reset Notes shall only apply if the Reset Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable to one or more Interest Period(s).
- (ii) *Interest Payment Dates and Rate of Interest:* Each Reset Note bears interest on its Outstanding Principal Amount:
 - (a) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date, at the Initial Rate of Interest;
 - (b) for the First Reset Period, at the First Reset Rate of Interest; and
 - (c) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

such interest being payable, in each case, in arrear on each Interest Payment Date.

The First Reset Rate of Interest and each Subsequent Reset Rate of Interest shall be determined by the Calculation Agent at or as soon as practicable after each time at which the relevant Rate of Interest is to be determined. The amount of interest payable shall be determined in accordance with Condition 5(f).

- (iii) *Fallbacks:* This Condition 5(b)(iii) is only applicable if the Reset Reference Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable, as Mid-Swap Rate. If on any Reset Determination Date, the Relevant Screen Page is not available or the Reset Reference Rate does not appear on the Relevant Screen Page as of the Relevant Time on such Reset Determination Date, the Rate of Interest applicable to the Reset Notes in respect of each Interest Period falling in the relevant Reset Period will, subject as provided in Condition 5(c)(v), as applicable, be determined by the Calculation Agent on the following basis:
 - (a) the Calculation Agent shall request each of the Reset Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Relevant Time on the Reset Determination Date in question;

- (b) if at least three of the Reset Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean) of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) and (B) the Relevant Reset Margin, all as determined by the Calculation Agent;
- (c) if only two relevant quotations are provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean of the relevant quotations provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent;
- (d) if only one relevant quotation is provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the relevant quotation provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent; and
- (e) if none of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 5(b), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) will be equal to the sum of (A) the Reset Reference Rate determined on the last preceding Reset Determination Date and (B) the Relevant Reset Margin or, in the case of the first Reset Determination Date, the First Reset Rate of Interest will be equal to the sum of:
 - (A) if Initial Mid-Swap Rate Final Fallback is specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, (A) the Initial Mid-Swap Rate and (B) the Relevant Reset Margin;
 - (B) if Reset Maturity Initial Mid-Swap Rate Final Fallback is specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, (A) the Reset Period Maturity Initial Mid-Swap Rate and (B) the Relevant Reset Margin; or
 - (C) if Last Observable Mid-Swap Rate Final Fallback is specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the Relevant Reset Margin,

all as determined by the Calculation Agent.

- (iv) *Reset Reference Rate Conversion*: This Condition 5(b)(iv) is only applicable if Reset Reference Rate Conversion is specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable. The First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest will be converted from the Original Reset Reference Rate Payment Basis specified in the relevant Final Terms

or Pricing Supplement, as applicable, to a basis which matches the per annum frequency of Interest Payment Dates in respect of the relevant Notes (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it).

(c) Interest on Floating Rate Notes:

- (i) *Application:* The provisions in this Condition 5(c) on Floating Rate Notes shall only apply if the Floating Rate Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable to one or more Interest Period(s).
- (ii) *Interest Payment Dates and Rate of Interest:* Each Floating Rate Note bears interest on its Outstanding Principal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either specified in the relevant Final Terms or Pricing Supplement, as applicable, as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms or Pricing Supplement, as applicable, Interest Payment Date shall mean each date which falls the number of months or other period specified in the relevant Final Terms or Pricing Supplement, as applicable, as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (iii) *Business Day Convention:* If any date referred to in the Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iv) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms or Pricing Supplement, as applicable, and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms or Pricing Supplement, as applicable.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual

Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms or Pricing Supplement, as applicable;
- (y) the Designated Maturity is a period specified in the relevant Final Terms or Pricing Supplement, as applicable; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable.

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

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time) in the case of LIBOR, 11.00 a.m. (Brussels time) in the case of EURIBOR, 11.00 a.m. (Copenhagen time) in the case of CIBOR, 12.00 noon (Oslo time) in the case of NIBOR or 11.00 a.m. (Stockholm time) in the case of STIBOR on the Interest Determination Date in question 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 of such offered quotations;

- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as

provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is CIBOR, the principal Danish office of each of the Reference Banks or, if the Reference Rate is NIBOR, the principal Oslo office of each of the Reference Banks or, if the Reference Rate is STIBOR, the principal Stockholm office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm 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, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CIBOR, the Copenhagen inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is STIBOR, the Stockholm inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such 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 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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m.

(Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm 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 such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CIBOR, the Copenhagen inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is STIBOR, the Stockholm inter-bank market, as the case may be, 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 or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (v) *Reference Rate Replacement*: This Condition 5(c)(v) is applicable to the Notes only if (i) the Reset Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable and Mid-Swap Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the Reset Reference Rate, or (ii) the Floating Rate Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable and Screen Rate Determination is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the manner in which the Rate(s) of Interest is/are to be determined, in each case, to one or more Interest Periods and if Reference Rate Replacement is also specified in the relevant Final Terms or Pricing Supplement, as applicable.

If notwithstanding the provisions of Condition 5(b) or Condition 5(c), as applicable, the Calculation Agent (in consultation with the Issuer) determines that a Benchmark Event has occurred when any Rate of Interest (or any component thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions shall apply:

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

and, in each case, an Adjustment Spread (in any such case, acting in good faith and in a commercially reasonable manner) no later than the relevant IA Determination Cut-off Date, for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes for

the relevant Interest Accrual Period or Reset Period (as applicable) and for all other future Interest Accrual Periods or Reset Periods (as applicable) (subject to the subsequent operation of this Condition 5(c)(v) during any other future Interest Accrual Period(s) or Reset Period(s) (as applicable));

(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:

(A) a Successor Reference Rate; or

(B) if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread no later than the relevant Issuer Determination Cut-off Date, for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes for such next Interest Accrual Period or Reset Period (as applicable) and for all other future Interest Accrual Periods or Reset Periods (as applicable) (subject to the subsequent operation of this Condition 5(c)(v) during any other future Interest Accrual Period(s) or Reset Period(s) (as applicable)). Without prejudice to the definitions thereof, for the purposes of determining any Successor Reference Rate, 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 5(c)(v):

(A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Original Reference Rate for all future Interest Accrual Periods or Reset Periods (as applicable) (subject to the subsequent operation of, and adjustment as provided in, this Condition 5(c)(v));

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

(x) determines an Adjustment Spread in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) (subject to the subsequent operation of, and adjustment as provided in, this Condition 5(c)(v)); or

(y) is unable to determine an Adjustment Spread in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply

without an Adjustment Spread (subject to the subsequent operation of, and adjustment as provided in, this Condition 5(c)(v)); and

(C) 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 these 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 (1) the Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reset Determination Date, Relevant Time, Reference Banks, Reset Reference Banks and/or Relevant Screen Page applicable to the Notes and (2) the method for determining the fallback to the Rate of Interest (or relevant component part thereof) 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 relevant Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the Notes for all future Interest Accrual Periods or Reset Periods (as applicable) (subject to the subsequent operation of this Condition 5(c)(v)); and

(d) promptly following 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 and of any changes (and the effective date thereof) pursuant to Condition 5(c)(v)(c)(C) to: (A) the Noteholders in accordance with Condition 19, (B) the Issuing Agent and (C) the Calculation Agent.

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 5(c)(v) or such other relevant changes pursuant to Condition 5(c)(v)(c)(C), including for the execution of any documents or the taking of other steps by the Issuer or any of the other parties to the relevant agency agreement.

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 5(c)(v) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest (or component part thereof) for the next Interest Accrual Period or Reset Period (as applicable) shall be determined by reference to the fallback provisions of Condition 5(c)(iv)(B) (in the case of Floating Rate Notes) or Condition 5(b)(iii) (in the case of Reset Notes).

Notwithstanding any other provision of this Condition 5(c)(v):

- (i) 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 5(c)(v), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as:
 - (A) in the case of Non-Preferred Senior Notes, MREL/TLAC Eligible Liabilities; or
 - (B) in the case of Subordinated Notes, Tier 2 Capital; and/or
 - (ii) in the case of Non-Preferred Senior Notes only, 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 5(c)(v), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date (or any future Interest Payment Date) as the effective maturity of the Notes, rather than the relevant Maturity Date.
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
- (e) **Margin:**
- (i) If any Margin is specified in the relevant Final Terms or Pricing Supplement, as applicable, (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.
 - (ii) For the purposes of any calculations required pursuant to the Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the relevant Rate of Interest, the Calculation Amount and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such

Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

- (g) **Determination and publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period or, as applicable, for each Interest Accrual Period falling in the relevant Reset Period, calculate the Final Redemption Amount (if any), Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the relevant Rate of Interest and the Interest Amounts for each Interest Accrual Period or, as applicable, for each Interest Accrual Period falling in the relevant Reset Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount (if any), Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent (where the Calculation Agent is not the Fiscal Agent), the Issuer, the Paying Agent (where the Paying Agent is not the Issuer), the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information, the Issuing Agent (where the Issuing Agent is not the Issuer), and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(iii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) or, in the circumstances described in Condition 5(c)(v) the Independent Adviser or the Issuer (as applicable), shall (in the absence of manifest error) be final and binding upon all parties.
- (h) **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 the relevant Conditions and/or Final Terms or Pricing Supplement, as applicable, and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in the Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the relevant Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount (if any), Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. Redemption, purchase and options

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 7.
- (b) **Early Redemption Amount:** The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 6(c), Condition 6(d), Condition 6(e), Condition 6(f) or Condition 6(g) shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable.
- (c) **Redemption for tax reasons:**
 - (i) This Condition 6(c)(i) is only applicable to Preferred Senior Notes.

If, in relation to any Series of Preferred Senior Notes:

- (A) as a result of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date on which agreement is reached to issue the last Tranche of such Notes the Issuer receives an opinion of external counsel in Denmark that it would be required to pay Additional Amounts as provided in Condition 8; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 19 (which notice shall be irrevocable), redeem all (but not some only) of such Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if such Notes are Floating Rate Notes, on an Interest Payment Date provided, however, that no such notice of redemption may 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 such Notes then due.

The Issuer may not exercise such option in respect of any such Note which is the subject of the prior exercise by the Noteholder of any applicable Put Option pursuant to Condition 6(g).

- (ii) This Condition 6(c)(ii) is only applicable to Non-Preferred Senior Notes and Subordinated Notes.

Subject to the provisions of Condition 6(k), upon the occurrence of a Tax Event in relation to any Series of Non-Preferred Senior Notes or Subordinated Notes, the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 19 (which notice shall be irrevocable, subject to the Permission Withdrawal Early Redemption Restriction), redeem all (but not some only) of such Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if such Notes are Floating Rate Notes, on an Interest Payment Date provided, however, that in the case of a Tax Event relating to a requirement to pay Additional Amounts, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to

pay the relevant Additional Amounts were a payment in respect of such Notes then due.

- (d) **Redemption upon the occurrence of a Capital Event:** This Condition 6(d) is only applicable to Subordinated Notes. Subject to the provisions of Condition 6(k), upon the occurrence of a Capital Event in relation to any Series of Subordinated Notes, the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 19 (which notice shall be irrevocable, subject to the Permission Withdrawal Early Redemption Restriction), redeem all (but not some only) of such Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if such Notes are Floating Rate Notes, on an Interest Payment Date.
- (e) **Redemption upon the occurrence of a MREL/TLAC Disqualification Event:** This Condition 6(e) is only applicable to Non-Preferred Senior Notes. Subject to the provisions of Condition 6(k), and if the relevant Final Terms or Pricing Supplement, as applicable, specifies that this Condition 6(e) applies, then upon the occurrence of a MREL/TLAC Disqualification Event in relation to any Series of Non-Preferred Senior Notes, the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 19 (which notice shall be irrevocable, subject to the Permission Withdrawal Early Redemption Restriction), redeem all (but not some only) of such Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if such Notes are Floating Rate Notes, on an Interest Payment Date.
- (f) **Redemption at the option of the Issuer:** If Call Option is specified as applicable in the relevant Final Terms or Pricing Supplement, as applicable, the Issuer may (subject, in the case of Non-Preferred Senior Notes and Subordinated Notes, to Condition 6(k)), on giving not less than 15 nor more than 30 days' notice in accordance with Condition 19 (which notice shall be irrevocable, subject to the Permission Withdrawal Early Redemption Restriction (in the case of Non-Preferred Senior Notes and Subordinated Notes) (or such other notice period as may be specified in the relevant Final Terms or Pricing Supplement, as applicable) redeem the Notes in whole or, if so specified in the relevant Final Terms or Pricing Supplement, as applicable, in part on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the relevant Final Terms or Pricing Supplement, as applicable, (which may be their Early Redemption Amount (as described in Condition 6(b) above)) together with interest accrued to the date fixed for redemption.

All Notes shall be redeemed on the date specified in such notice in accordance with this Condition.

If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms or Pricing Supplement, as applicable, then the Optional Redemption Amount shall in no event be greater than the maximum or be less than the minimum so specified.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by a Noteholder of its Put Option pursuant to Condition 6(g).

- (g) **Redemption at the option of the Noteholders:** This Condition 6(g) is only applicable to Preferred Senior Notes. If Put Option is specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, the Issuer shall, at the option of the holder of any such Preferred Senior Note, upon the Noteholder of such Preferred Senior Note giving not less than 15 nor more than 30 days' notice in accordance with Condition 19 (which notice shall be irrevocable) to the Issuer (or such other notice period as may be specified in the relevant Final Terms or Pricing Supplement, as applicable) redeem such Preferred Senior Note

on the Optional Redemption Date. Any such redemption of Preferred Senior Notes shall be at their Optional Redemption Amount specified in the relevant Final Terms or Pricing Supplement, as applicable, (which may be their Early Redemption Amount (as described in Condition 6(b) above)) together with interest accrued to the date fixed for redemption.

To exercise such option, a Noteholder must, within the notice period set out above, give notice to the Issuing Agent, of such exercise in accordance with the standard procedures of the Securities Depository from time to time. No notice given, and option exercised, may be withdrawn without the prior consent of the Issuer.

A Noteholder may not exercise such option in respect of any Preferred Senior Note which is the subject of an exercise by the Issuer of its Call Option.

- (h) **Purchases:** The Issuer and any Subsidiary of the Issuer may at any time (but, in the case of Non-Preferred Senior Notes and Subordinated Notes, subject to Condition 6(k)) purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the relevant Noteholder(s) to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of determining a quorum at any meeting of Noteholders or for the purposes of Condition 13.
- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer may (but, in the case of Non-Preferred Senior Notes and Subordinated Notes, subject to Condition 6(k)) be cancelled by the Issuer when the Issuer holds the title to them. The Notes are cancelled in the records of the Securities Depository so that the cancelled Notes cannot be reissued or resold, and subsequently the Issuer has no obligations pertaining to the cancelled Notes. The outstanding amount of Notes will be updated in the records of the Securities Depository.
- (j) **Substitution and variation:** This Condition 6(j) is only applicable to Non-Preferred Senior Notes and Subordinated Notes.

 - (i) This Condition 6(j)(i) is only applicable to Non-Preferred Senior Notes:

 - (A) Subject to having given no less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Noteholders in accordance with Condition 19 and to the Fiscal Agent, if a MREL/TLAC Disqualification Event and/or a Tax Event has/have occurred and is/are continuing, the Issuer may (subject to Condition 6(k)) and if the relevant Final Terms or Pricing Supplement, as applicable, specifies that this Condition 6(j) applies, at its option, substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Non-Preferred Senior Notes.
 - (B) Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Qualifying Non-Preferred Senior Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.
 - (ii) This Condition 6(j)(ii) is only applicable to Subordinated Notes:

 - (A) Subject to having given no less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Noteholders in accordance with

Condition 19 and to the Fiscal Agent, if a Capital Event and/or a Tax Event has/have occurred and is/are continuing, the Issuer may (subject to Condition 6(k)), at its option, substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Subordinated Notes.

- (B) Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Qualifying Subordinated Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.

(k) Conditions to redemption etc. prior to the Maturity Date: This Condition 6(k) is only applicable to Non-Preferred Senior Notes and Subordinated Notes.

- (i) This Condition 6(k)(i) is only applicable to Non-Preferred Senior Notes:

The Notes may only be redeemed, purchased, cancelled, modified, substituted or varied (as applicable) pursuant to Condition 6(c)(ii), Condition 6(e), Condition 6(f), Condition 6(h), Condition 6(i), Condition 6(j), Condition 13, Condition 15 or paragraph (ii) of Condition 17 if:

- (A) in the case of any such substitution, variation or modification, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has not objected to, such substitution, variation or modification (as applicable) in accordance with the CRD/CRR requirements;
- (B) in the case of any such redemption, purchase or cancellation, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has given permission to, such redemption, purchase or cancellation (as applicable) in accordance with the CRD/CRR requirements (which, in the case of Non-Preferred Senior Notes, as at 13 November 2019, are set out in Articles 77 and 78a of the CRR); and
- (C) in the case of a redemption as a result of a Tax Event or a MREL/TLAC Disqualification Event, the Issuer has delivered a certificate signed by two members of its Executive Board to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than 5 Business Days prior to the date set for redemption that such event has occurred or, in the case of a Tax Event relating to a requirement to pay Additional Amounts, will occur no more than 90 days following the date fixed for redemption, as the case may be.

- (ii) This Condition 6(k)(ii) is only applicable to Subordinated Notes:

The Notes may only be redeemed, purchased, cancelled or modified, substituted or varied (as applicable) pursuant to Condition 6(c)(ii), Condition 6(d), Condition 6(f), Condition 6(h), Condition 6(i), Condition 6(j), Condition 13, Condition 15 or paragraph (ii) of Condition 17 if:

- (A) in the case of any such substitution, variation or modification, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has not

objected to, such substitution, variation or modification (as applicable) in accordance with the CRD/CRR requirements;

- (B) in the case of any such redemption, purchase or cancellation, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has given permission to, such redemption, purchase or cancellation (as applicable) in accordance with the CRD/CRR requirements (which, in the case of Subordinated Notes, as at 13 November 2019, are set out in Articles 77 and 78 of the CRR and Article 29 of Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, supplementing the CRR with regard to regulatory technical standards for own funds requirements for institutions, as amended or replaced from time to time); and
 - (C) in the case of a redemption as a result of a Tax Event or a Capital Event, the Issuer has delivered a certificate signed by two members of its Executive Board to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than 5 Business Days prior to the date set for redemption that such event has occurred or, in the case of a Tax Event relating to a requirement to pay Additional Amounts, will occur no more than 90 days following the date fixed for redemption, as the case may be.
- (iii) If, after a notice of redemption has been given pursuant to Condition 6(c)(ii), Condition 6(d), Condition 6(e) or Condition 6(f) (as applicable), the Relevant Regulator withdraws its permission to the relevant redemption before the relevant redemption date, such notice of redemption shall automatically be revoked and the relevant redemption shall not be made until a new redemption notice is given and all conditions for redemption as described in this Condition 6(k) have been fulfilled. The redemption restriction described in this paragraph is referred to as the “**Permission Withdrawal Early Redemption Restriction**”.

Any refusal by the Relevant Regulator to grant its permission to any such redemption, purchase or cancellation (as applicable) pursuant to paragraph (i)(B) or (ii)(B), as applicable, of this Condition 6(k) (or, as the case may be, any withdrawal by the Relevant Regulator) of any such permission) will not constitute an Enforcement Event or an event of default under the relevant Notes.

7. Payments

- (a) **Principal and interest:** Payments of principal and interest in respect of the Notes will be made by transfer to an account denominated in the Specified Currency with a custody bank to the Noteholders shown in the relevant records of the Securities Depository, in accordance with, and subject to, the rules and regulations from time to time governing the Securities Depository.
- (b) **Payments subject to fiscal laws:** All payments are subject in all cases to any fiscal or other laws, regulations and directives which are applicable to such payments in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by any such laws, regulations or directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders in respect of such payments.

- (c) **Payment on Business Days:** If any date for payment in respect of any Note is not a Business Day, the Noteholder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

8. Taxation

- (a) **Gross up:** All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:
 - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Denmark other than the mere holding of the Note or the receipt of principal, interest or other amount in respect of such Note; or
 - (ii) **Claim more than 30 days after the Relevant Date:** where a claim for payment is made by the Noteholder more than 30 days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on claiming payment on or before the expiry of such period of 30 days.

In the case of Non-Preferred Senior Notes and Subordinated Notes only, and notwithstanding the foregoing, the payment of Additional Amounts by the Issuer will be limited to payments of interest only.

- (b) **Taxing jurisdiction:** If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in the Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.
- (c) **FATCA:** Notwithstanding any other provision of the Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, 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, or any official interpretations thereunder.

9. Prescription

Claims against the Issuer for payment in respect of the Notes shall be subject to limitation under the Danish Limitation Act and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within ten (10) years (in the case of principal) or three years (3) (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of Section 2 of the Danish Limitation Act.

10. Events of Default

This Condition 10 is only applicable in relation to Preferred Senior Notes.

If any of the following events (each an “**Event of Default**”) occurs, the holder of any Note may give written notice to the Issuer at its registered office that such Note is, and it shall thereupon immediately become, due and repayable, at its Early Redemption Amount, together with accrued interest to the date of payment thereof:

- (i) the Issuer fails to pay any principal or any interest in respect of the Notes within five days on which banks are open for business in Copenhagen of the relevant due date;
- (ii) the Issuer defaults in performance or observance of or compliance with any of its other obligations set out in the Notes, which default is incapable of remedy or, if capable of remedy, is not remedied within 14 days after notice requiring such default to be remedied shall have been given to the Issuer by the Issuing Agent or the holder of any Note;
- (iii) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes;
- (iv) the Issuer or any Material Subsidiary (A) becomes insolvent or bankrupt or unable to pay its debts as they fall due or (B) stops or suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts or reconstruction proceedings (within the meaning of the Danish Bankruptcy Act) are initiated against the Issuer or any Material Subsidiary or (C) begins negotiations or takes any proceeding or other step with a view to re-adjustment, rescheduling or deferral of all its indebtedness (or any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting indebtedness of the Issuer or any Material Subsidiary, except in any case referred to in (C) above for the purposes of and followed by a solvent liquidation, reconstruction or amalgamation the terms of which have previously been approved by Noteholder Extraordinary Consent;
- (v) (A) proceedings are initiated against the Issuer or any of its Material Subsidiaries 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 any of its Material Subsidiaries or, as the case may be, in relation to the whole or a part of the undertaking or assets of any of them, and (B) in any case (other than the appointment of an administrator) is not discharged within 60 days; or if the Issuer or any of its Material Subsidiaries 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), except for the purposes of and followed by a solvent liquidation, reconstruction or amalgamation the terms of which have previously been approved by Noteholder Extraordinary Consent, or an order is made or an effective resolution is passed for the winding-up of the Issuer or any Material Subsidiary,

except in any such case for the purposes of a solvent liquidation, reconstruction or amalgamation the terms of which have previously been approved by Noteholder Extraordinary Consent;

- (vi) the Issuer initiates or consents to proceedings relating to itself under the Danish Financial Business Act or any applicable bankruptcy law or makes a conveyance or assignment for the benefit of or enters into any composition with its creditors;
- (vii) proceedings are initiated against the Issuer under the provisions of Chapter 15 of the Danish Financial Business Act or any applicable bankruptcy law and such proceedings are not discharged or stayed within a period of 60 days;
- (viii) a distress, attachment, execution or other legal process is levied, enforced or sued out against or on the Issuer or any Material Subsidiary or against the assets of the Issuer or any Material Subsidiary in respect of any financial indebtedness of the Issuer or any Material Subsidiary which in aggregate could have a material adverse effect on the financial position or prospects of the Issuer or its ability to perform its obligations under the Notes and which is not stayed, satisfied or discharged within 14 days or otherwise contested in bona fide proceedings;
- (ix) any present or future Security Interest on or over any of the assets of the Issuer or any Material Subsidiary becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer which is not vacated or discharged within 14 days) is taken to enforce that Security Interest by reason of a default or event of default (howsoever described) having occurred;
- (x) any event occurs which, under the laws of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in this Condition; or
- (xi) (a) any indebtedness for money borrowed by the Issuer or any Material Subsidiary amounting to at least €15,000,000 (or its equivalent in any other currency or currencies) becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described) otherwise than at the option of the Issuer or such Material Subsidiary, or steps are taken to enforce any security given in respect thereof, or the Issuer or any Material Subsidiary defaults in repayment of any such indebtedness at the maturity thereof as extended by any applicable grace period or (b) any guarantee of any indebtedness at the maturity thereof as extended by any applicable grace period or any guarantee of any indebtedness for money borrowed given by the Issuer or any Material Subsidiary amounting to at least €15,000,000 (or its equivalent in any other currency or currencies) shall not be honoured when due and called upon.

11. Enforcement Events

This Condition 11 is only applicable in relation to Non-Preferred Senior Notes and Subordinated Notes.

- (i) There are no events of default in respect of the Non-Preferred Senior Notes and Subordinated Notes. Noteholders shall not be entitled at any time to file for bankruptcy or liquidation of the Issuer.
- (ii) If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer (an “**Enforcement Event**”), any Noteholder may prove or claim in such proceedings in respect of such Note, such claim being for payment of the Early Redemption Amount of such Note at the time of commencement of such

bankruptcy or liquidation of the Issuer together with any interest accrued and unpaid on such Note from (and including) the Interest Payment Date immediately preceding the occurrence of such Enforcement Event and any other amounts payable on such Note (including any damages payable in respect thereof). Such claim shall rank as provided in Condition 4.

- (iii) Subject to Condition 11(i) and without prejudice to Condition 11(ii), any Noteholder may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, provided that the Issuer shall not by virtue of the institution of any proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

12. Agents

- (a) **Appointment of Agents:** In addition to performing the tasks as the issuing agent, the Issuing Agent will perform the tasks of the fiscal agent (“**Fiscal Agent**”) as they are described in the Conditions and the tasks of the paying agent (“**Paying Agent**”), which is paying any amount due under the Notes in accordance with the Conditions. Unless the Calculation Agent is the Fiscal Agent, the Calculation Agent in respect of any Notes shall be specified in the relevant Final Terms or Pricing Supplement, as applicable.

The Issuing Agent, the Fiscal Agent, the Paying 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 Noteholder.

- (b) **Replacement of Agents:** The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing Agent, the Fiscal Agent, the Paying Agent or the Calculation Agent and to appoint additional or other paying agents provided that the Issuer shall at all times maintain (i) an Issuing Agent, (ii) a Fiscal Agent, (iii) one or more Calculation Agent(s) where the Conditions so require, (iv) a Paying Agent (which may be the Fiscal Agent), which is authorised to act as an account holding institution with the Securities Depository and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed.

Notice of any such change shall promptly be given to the Noteholders.

13. Decisions by Noteholders

- (a) **Powers of meetings:**

- (i) A Noteholders’ Meeting or a Written Procedure shall, subject to the Conditions, have power:
 - (A) to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer, whether or not those rights arise under the Notes;
 - (B) to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, notes or other obligations or securities of the Issuer or any other entity;

- (C) to assent to any modification of the Notes or the Conditions proposed by the Issuer;
 - (D) to appoint and elect a representative on behalf of the Noteholders, which, if the Securities Depository is VP, shall be pursuant to the Danish Capital Markets Act;
 - (E) to appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise; and
 - (F) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or the Conditions.
- (ii) The Issuer or the Fiscal Agent shall upon request provide the convening Noteholder(s) with the information available in the securities register kept by the Securities Depository in respect of the Notes in order to convene and hold the Noteholders' Meeting or a Written Procedure, as the case may be.
 - (iii) Decisions to be taken by the Noteholders may be dealt with, at the option of the Issuer, at a Noteholders' Meeting or by way of a Written Procedure.
 - (iv) A Noteholders' Meeting will be held in accordance with the procedure pursuant to Condition 14.
 - (v) A Written Procedure will be held in accordance with the procedure pursuant to Condition 15.
- (b) Attendance:**
- (i) At the Noteholders' Meeting, each Noteholder must document its holdings of Notes by presenting a custody account statement from the Securities Depository or an authorised account institution evidencing that such Noteholder was registered as a Noteholder on the Business Day specified in the notice pursuant to Condition 14(a)(ii). The following may attend and speak at a Noteholders Meeting:
 - (A) Noteholders and proxies;
 - (B) the chairman; and
 - (C) the Issuer, the Issuing Agent, the Fiscal Agent (through their respective representatives) and their respective financial and legal advisers.
 - (ii) No one else may attend or speak.
- (c) Chairman:** The chairman of the Noteholders' Meeting shall be such person as the Issuer may nominate or, if no nomination is made, the person elected by the Noteholders present at such meeting.
- (d) Voting rights:**
- (i) Each Noteholder holds one vote for each Note. The Issuer has no voting rights in respect of Notes held by the Issuer or any of its Subsidiaries.

- (ii) Only a person who is, or who has been provided with a power of attorney from a person who is, recorded as a Noteholder:
 - (A) on the date falling on the immediately preceding Business Day to the date of the Noteholders' Meeting being held, in respect of a Noteholders' Meeting; or
 - (B) on the Business Day specified in the communication pursuant to Condition 15(a), in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure.

(e) Percentage of Noteholders required to consent:

- (i) The following matters shall require the consent of Noteholders representing at least 75 per cent. of the nominal amount of the Notes for the time being outstanding for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Condition 15(a) (any such consent, "Noteholder Extraordinary Consent"):
 - (A) a change to the terms of any provision of Condition 4;
 - (B) a reduction of the amount payable upon the redemption or repurchase of any Note pursuant to Condition 6 other than as permitted or required by the Conditions;
 - (C) a change to the interest rate or the nominal amount of the Notes (other than as permitted or required by the Conditions);
 - (D) a change to the terms dealing with the requirements for Noteholders' consent set out in this Condition 13(e)(i);
 - (E) a change of Issuer (other than as permitted or required by the Conditions), an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
 - (F) a mandatory exchange of the Notes for other securities (other than as permitted by the Conditions); and
 - (G) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Condition 10 or 11, as applicable, or as otherwise permitted or required by the Conditions.
- (ii) Any matter not covered by Condition 13(e)(i) above shall require the consent of Noteholders representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure.

(f) Quorum:

- (i) A quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least 50 per cent. in nominal amount of the Notes for the time being outstanding in case of a matter pursuant to Condition

13(e)(i), and otherwise 20 per cent. in nominal amount of the Notes for the time being outstanding:

- (A) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (B) if in respect of a Written Procedure, reply to the request.
- (ii) No resolution may be passed if it is clear that that resolution is likely to give certain Noteholders or others an undue advantage over other Noteholders.
- (g) **Issuer's, Paying Agent's, Issuing Agent's, the Fiscal Agent's or the Calculation Agent's consent required:** Any decision which extends or increases the obligations of the Issuer, the Paying Agent, the Issuing Agent, the Fiscal Agent or the Calculation Agent or limits, reduces or extinguishes the rights or benefits of the Issuer, the Paying Agent, the Issuing Agent, the Fiscal Agent or the Calculation Agent under the Notes shall be subject to the Issuer's, the Paying Agent's, the Issuing Agent's, the Fiscal Agent's or the Calculation Agent's consent, as the case may be.
- (h) **Decisions binding on all Noteholders and information to Noteholders:**
- (i) A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
 - (ii) Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be notified to the Noteholders, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer.
- (i) **Minutes:** Minutes shall be made of all resolutions and proceedings at every Noteholders' Meeting or Written Procedure and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

14. Noteholders' Meeting

- (a) **Convening a Noteholders' Meeting:**
- (i) The Issuer may at any time, and shall, if so requested by a Noteholder (or Noteholders) representing at least 10 per cent. of the Outstanding Principal Amounts of the Notes convene a Noteholders' Meeting or initiate a Written Procedure. The Issuer may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Issuer that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
 - (ii) The Issuer shall call the Noteholders by notice to each Noteholders' Meeting no later than 14 days after having received request to convene such Noteholders' Meeting

from the Noteholders containing the subject of such meeting. If the Issuer does not call the Noteholders' Meeting within the deadline, the Noteholders shall be entitled to call the Noteholders' Meeting.

- (b) **Notice to convene a Noteholders' Meeting:** The notice pursuant to Condition 14(a) shall include the following:
- (i) time for the Noteholders' Meeting;
 - (ii) place for the Noteholders' Meeting;
 - (iii) agenda for the meeting (including each request for a decision by the Noteholders); and
 - (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting.

Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

- (c) **Venue for Noteholders' Meetings:** All Noteholders' Meetings shall be held in the Copenhagen area and the Issuer shall pay expenses associated with the meeting other than travel and other expenses incurred by the Noteholders which shall be borne by each individual Noteholder.

15. Written Procedure

- (a) **Instigating a Written Procedure:**
- (i) The Issuer may instigate a Written Procedure at any time by sending a communication to each such person who is registered as a Noteholder on the third Business Day prior to the date on which the communication is sent.
 - (ii) A communication pursuant to Condition 15(a)(i) shall include the following:
 - (A) each request for a decision by the Noteholders;
 - (B) a description of the reasons for each request;
 - (C) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
 - (D) instructions and directions on replying to the request (including a form for such reply containing an option to vote yes or no for each request) as well as a form of power of attorney; and
 - (E) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Condition 15(a)(i)).

If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- (b) **Decisions:** When the requisite majority consents of the principal amount of the Notes outstanding pursuant to Condition 13(e) have been received in a Written Procedure, the

relevant decision shall be deemed to be adopted pursuant to Condition 13(e) even if the time period for replies in the Written Procedure has not yet expired.

16. Representative

Save to the extent referred to in Condition 13(a), no trustee, agent or representative of the Noteholders will be appointed.

17. Modification of Notes

The Issuer may make, without the consent of the Noteholders:

- (i) any modification to the Notes or the Conditions to correct a manifest error; or
- (ii) any modification to the Notes or the Conditions which is not prejudicial to the interests of the Noteholders and, in the case of Non-Preferred Senior Notes and Subordinated Notes, subject to Condition 6(k).

Subject as provided in the Conditions, no other modification may be made to the Notes or the Conditions except with the sanction of a Noteholders' Meeting or a Written Procedure or as may be required by applicable laws or a court ruling or decision by a relevant authority.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 19 as soon as practicable thereafter.

18. Further issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the Conditions to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in the Conditions to "Notes" shall be construed accordingly.

19. Notices

Notices to the Noteholders shall be given in accordance with the procedures of the Securities Depository in force from time to time and in a manner which complies with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading. Any such notice will be deemed to have been given on the date it is published in accordance with the procedures of the Securities Depository.

20. Waiver and remedies

No failure to exercise, and no delay in exercising, on the part of a Noteholder, any right in the Conditions shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

21. Governing law, jurisdiction and recognition of write-down or conversion powers

- (a) **Governing law:** Save as provided in the sentence that follows, the Conditions and the Notes are governed by, and shall be construed in accordance with, Danish law. If the Securities

Depository is VPS, Conditions 3(b) and 19 are governed by, and shall be construed in accordance with, Norwegian law.

- (b) **Jurisdiction:** The courts of Denmark shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Conditions and the Notes.
- (c) **Recognition of write-down or conversion powers:** For the avoidance of doubts, by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to (without limitation) the exercise of any Danish Statutory Loss Absorption Powers (including, for the avoidance of doubt, in accordance with Article 48 of the BRRD and, in the case of Subordinated Notes, Article 59 of the BRRD).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for general banking purposes, including, without limitation, asset/liability management, strategic liquidity management and/or to fulfil own funds requirements. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms or Pricing Supplement, as applicable.

DESCRIPTION OF SPAR NORD BANK A/S AND THE SPAR NORD BANK GROUP

1. SPAR NORD BANK'S BUSINESS AND MARKET

1.1 Business

1.1.1 History and development of Spar Nord Bank

Spar Nord Bank was founded in Aalborg on 12 May 1824, and North Jutland remains the Bank's home turf. Since 2001, Spar Nord has established itself as a nationwide chain of local banks.

During the years since the growth strategy was initiated, Spar Nord Bank has acquired and established 51 branches outside North Jutland, while 26 branches have been closed or merged.

At end-2018, 27 of the Bank's 49 branches, 62 per cent. of total credit arranged and 57 per cent. of the total business volume were located outside North Jutland.

Spar Nord Bank offers all types of financial services, consultancy and products, focusing its business on retail customers and SMEs in the local areas in which the Bank is represented.

In January 2019, Spar Nord Bank was designated as a systematically important financial institution ("SIFI") in Denmark. The appointment as a SIFI was reaffirmed by the Danish FSA in June 2019.

Spar Nord Bank's 49 local banks (branches)



The Bank's registered office and principal place of business is situated at Skelagervej 15, DK-9000 Aalborg, Denmark. Its telephone number is +45 96 34 40 00 and the Bank is registered with the Danish

Business Authority under CVR number 13 73 75 84 as a public limited liability company (in Danish; “aktieselskab”). The website of the Bank is <https://www.sparnord.dk/>. The information on the website does not form part of this Prospectus unless such information is incorporated by reference into this Prospectus. The Legal Entity Identifier of the Bank is 54900DHT635Q5P8J715.

The legal name of the Bank is Spar Nord Bank A/S and its commercial name is Spar Nord.

1.1.2 Business segments

Spar Nord Bank consists of the business segments Spar Nord’s Local Banks and the Trading & Financial Markets Division. In addition, it has a number of corporate and support functions. Spar Nord’s Local Banks consists of the banking activities of the Spar Nord Bank Group’s branches, through which Spar Nord Bank serves retail and business customers and provides banking services such as loans and credit facilities, credit and debit cards as well as a broad range of savings, non-life insurance, life insurance and pension savings products. Moreover, Spar Nord’s Local Banks comprise the Spar Nord Bank Group’s leasing activities.

The Trading & Financial Markets Division consists of Markets, Bonds, Shares, the Interest and Forex Division and Asset Management. This business area serves Spar Nord Bank’s own retail and business customers and institutional clients and is a provider of wholesale services (forex and security-related transactions, trade finance services and clearing services) to small and medium-sized banks.

Selected information about the Spar Nord Bank Group’s business segments at 31 December 2018 is provided in the table below:

Spar Nord Bank Group - Selected information about business segments	31.12.2018 (in DKKm)
Profit/loss before tax	
Local Banks	1,104
Trading, Financial Markets and International Division	-32
Other Areas	21
Profit/loss before tax	1,094
Assets	
Local Banks	55,868
Trading, Financial Markets and International Division	24,543
Other Areas	2,381
Total assets allocated	82,793

1.1.3 Strategy plan: The Personal Bank in a Digital World

Spar Nord Bank’s strategic pointers for the years from 2017 and onwards are set out in our strategy plan, “The personal bank in a digital world”. The strategy, approved by Spar Nord Bank’s Board of Directors in November 2016, springs from the fact that new generations seem to attach less importance than previous generations to the local presence that small banks as well as Spar Nord Bank have endeavoured to offer. At the same time, we realise that digital solutions have come a long way in recent years.

Thus, the market seems to be polarising, with some banks putting more emphasis on local presence than on developing their digital offerings. Meanwhile, other banks are dedicating more efforts on digitalisation than having a physical presence in their local regions. In this new competitive environment, Spar Nord Bank believes that the key to success lies in combining the two approaches and utilising digitalisation and data to become even more personal in its customer approach.

This is the foundation for Spar Nord Bank's strategic ambition of being "The Personal Bank in a Digital World". The main and principal implications of this ambition are that Spar Nord Bank will maintain a relatively high number of branches and focus strongly on providing personal advice and service. Also, Spar Nord Bank will invest in digital initiatives that will make the banking experience even more personal and use data as a means of getting to know our customers better.

Combined with the strategy plan The Personal Bank in a Digital World, Spar Nord Bank has defined three Must Win Battles which the Bank must win to realise its strategic goals. These battles are fought on the basis of specific focal points and benchmarks for the organisation which are translated into goals and KPIs for centralised and local follow-up.

Must Win Battle #1: "Premier personal advice and service". The ambition here is to make the excellent and competent personal experience a characteristic feature of Spar Nord Bank and a competitive advantage in the banking market of tomorrow.

Must Win Battle #2: "Local ownership and strong central support". The ambition here is to retain the strength and the commitment achieved when employees and executives in the decentralised organisation are able to influence their own job and everyday work. At the same time, the Bank aims to build a stronger structure in some of the areas in which the customers and the Bank do not obtain value from doing things differently from one area to the next.

Must Win Battle #3: "Digitalisation the Spar Nord way". This headline encompasses the strategically motivating efforts to ensure that Spar Nord Bank's combined digital initiatives contribute to giving the Bank the intended progress in the banking market of tomorrow.

1.1.4 Customers and credit granting

Spar Nord Bank's primary target groups are retail customers, Private Banking customers and small and medium-sized businesses in the local areas where the Bank has a presence. In special cases, we offer asset financing abroad (primarily in Germany). Leasing products are offered to business customers in addition to traditional bank financing options.

As an entity, the Trading & Financial Markets Division serves customers from Spar Nord's Local Banks as well as large retail customers and institutional clients in the field of equities, bonds, fixed income, forex products, asset management and international transactions.

Finally, under the umbrella concept SparXpres the Bank offers consumer financing via retail stores, gift voucher solutions via shopping centres and shopping centre associations and direct loans via the website, sparxpres.dk (the information on the sparexpres.dk website does not form part of this Prospectus).

1.1.5 Customer focus and exposure

In its retail segment, Spar Nord Bank gives priority to full-service customers in the sense that it wants to be a banker for financially sound customers and their entire families, thus catering to all their banking needs. The Bank focuses its day-to-day operations on retaining existing full-service customers, turning existing non-regular customers into full-service customers and attracting new customers with good potential.

In the business customer segment, Spar Nord Bank focuses on sound businesses across industry sectors. In other words, it is to a large degree the structure of a local business community and the local focus that determine the distribution of industry sectors in the individual banking areas.

Spar Nord Bank's credit exposure at Group level is characterised by a higher-than-average exposure to retail customers and good sector diversification in its business customer portfolio.

The Bank generally aims to be the customer's primary banker and that customers conduct their basic banking business with the Bank. However, after a concrete assessment Spar Bank may accept that the customer also banks with another one, two or three institutions, provided we know the extent of credit facilities granted by these institutions.

The following table sets forth Spar Nord Bank Group's loans, advances and guarantees by industry.

	2018	2017
Agriculture, hunting, forestry and fisheries	5.3	5.3
Industry and raw materials extraction	4.8	4.5
Utilities	2.7	2.7
Building and construction	4.5	4.1
Trade	6.8	6.1
Transport, hotels and restaurants	3.7	3.2
Information and communication	0.4	0.3
Financing and insurance	13.8	21.1
Real property	10.3	9.5
Other corporate	6.1	4.9
Total commercial	58.4	61.7
Public authorities	0.1	0.0
Total retail customers	41.5	38.3
Total	100.0	100.0

1.1.6 Distribution

The 49 local bank branches throughout Denmark constitute the backbone of Spar Nord Bank's distribution network. Spar Nord Bank gives very high priority to personalised advisory services in its physical branches, supplementing them with self-service solutions such as well-functioning online banking and mobile platforms.

As an entity, the Trading & Financial Markets Division serves customers from Spar Nord's Local Banks as well as large retail customers and institutional clients in the field of equities, bonds, fixed income, forex products, asset management and international transactions.

1.1.7 Business partners

Spar Nord Bank has an open structure and the bank forms part of a large number of strategic business relations. Spar Nord Bank aims to offer its customers financial solutions, products and advisory services in all areas, and in many of these areas the business has been outsourced to external providers and business partners.

With the aim of achieving greater cost efficiency and increase user-friendliness towards its customers, Spar Nord Bank migrated to the BEC data centre in 2016. BEC is characterised by having a number of large member banks which, together with Spar Nord Bank, can contribute to the development capacity required in future banking operations.

Some of the most important business partners in the various product and advisory service areas include:

- Totalkredit (mortgage-credit institution);

- DLR Kredit (mortgage-credit institution);
- Bankinvest (investment associations);
- Valueinvest (investment associations);
- Privatsikring (non-life insurance – retail);
- Købstedernes Forsikring (non-life insurance – business);
- Letpension (life insurance and pension product provider);
- Nets (payment services);
- Nærpension (pension products for business customers);
- Bokis (procurement partnership in payment cards and payment services); and
- Mobile Pay (shared mobile payment solution).

1.2 Financial Performance

The selected financial information provided below has been extracted from the audited consolidated financial statements as at and for the year ended 31 December 2018 and 31 December 2017. The audited consolidated financial statements as at and for the years ended 31 December 2018 and 2017 are incorporated in this Prospectus by reference. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and furnished with an unqualified auditors' report by Ernst & Young Godkendt Revisionspartnerselskab, Spar Nord Bank's independent auditors.

As from the year 2019 Deloitte Statsautoriseret Revisionpartnerselskab, Weidekampsgade 6, DK-2300 Copenhagen S, Denmark have been appointed as the Issuer's independent registered public accounting firm for the financial year ending on 31 December 2019 and onwards (replacing Ernst & Young Godkendt Revisionspartnerselskab).

Spar Nord Bank Group - Income statement (DKKm)	2018	2017
Net interest income *)	1,548	1,546
Net fee income	1,127	1,116
Market value adjustments and dividends	268	404
Other income *)	247	83
Core income	3,190	3,150
Staff costs	1,152	1,165
Operating expenses	771	771
Costs and expenses	1,924	1,936
Core earnings before impairment	1,266	1,213
Loan impairments etc. *)	173	-38
Core earnings	1,094	1,251
Earnings from investment portfolios	-	-
Contributions to sector-wide solutions	-	-
Profit/loss before tax	1,094	1,251
Tax	174	262
Profit/loss for the year	920	989
Interest expenses to holders of Additional Tier 1 Capital	49	49

Spar Nord Bank Group - Income statement (DKKm)	2018	2017
Total assets	82,793	80,367
Loans and advances	44,330	46,747
- Lending, banking and leasing activities	39,551	37,272
- Lending, reverse repo transactions	4,779	9,475
Deposits	65,545	64,266
- Deposits, banking activities	50,773	48,668
- Deposits, repo transactions	0	175
- Deposits in pooled schemes	14,772	15,423
Subordinated debt	1,332	1,144
Additional Tier 1 Capital	861	861
Shareholders' equity	8,380	8,114
Guarantees	12,092	11,961
Total risk exposure amount	53,858	49,546
Tier 1 Capital	8,387	7,924
Impairment account and discount on commitments taken over **)	1,945	1,616
Contractual non-performing loans	476	341
Business volume	244,159	241,393

*) In the core earnings format in 2017 and earlier years, an amount was reclassified between the items Net interest income, Other income and Loan impairments, etc., which relates to the share of the discount, recognised as income, on commitments taken over.

**) From 2018 onwards, the figure is inclusive of impairment of unutilised credit lines.

Note: In accordance with the accounting policies, the comparative figures have not been restated in connection with the implementation of IFRS 9 on financial instruments at 1 January 2018.

Spar Nord Bank Group – Financial ratios	2018	2017
Total capital		
Own Funds Ratio	18.0	18.2
Tier 1 Capital Ratio	15.6	16.0
Common Equity Tier 1 Capital Ratio	14.0	14.4
Earnings		
Return on equity before tax excl. Additional Tier 1 Capital *)	12.8	15.1
Return on equity after tax excl. Additional Tier 1 Capital *)	10.8	12.0
Cost share of core income (DKK)	0.60	0.61
Cost share of core income- incl. loan impairments, etc. (DKK)	0.66	0.60
Return on assets (%)	1.1	1.2
Market risk and liquidity		
Interest rate risk (%)	0.2	0.7
Foreign exchange position (%)	1.4	3.3
Foreign exchange risk (%)	0.1	0.1
Liquidity Coverage Ratio (“LCR”) (%)	174	187
Bank and leasing loans relative to bank deposits (%)	77.9	76.6
Credit risk		
Bank and leasing loans relative to shareholders' equity (%)	4.7	4.6
Increase in loans and advances for the year (%)	6.7	6.2

Spar Nord Bank Group – Financial ratios	2018	2017
Sum of large exposures (%) **)	79.2	17.2
Impairment ratio (%)	0.3	-0.1
Employees and branches		
Number of employees (full-time equivalents, end of period)	1,518	1,538
Number of branches	49	50

*) The financial ratio has been calculated as if the Additional Tier 1 Capital were treated as a liability for accounting purposes, which means that the calculation of the financial ratio has been based on the shareholders' share of profit and equity. The shareholders' share of profit and equity appears from the statement of changes in equity.

**) In 2018, the ratio is calculated according to the Danish FSA's new benchmark for large exposures.

Note: In accordance with the accounting policies, the comparative figures have not been restated in connection with the implementation of IFRS 9 on financial instruments at 1 January 2018

1.3 Market

The Danish banking market is characterised by great diversification with a relatively large number of banks (69 Danish institutions and 27 branches of foreign banks). The market is more consolidated in terms of market share, with the ten largest banks holding a combined market share of about 86 per cent. The largest players are the two international financial groups Danske Bank and Nordea. In addition, a number of banks provide more or less full market coverage. These are Jyske Bank, Sydbank, Spar Nord Bank, Nykredit Bank, Vestjysk Bank and Arbejdernes Landsbank. The rest of the Danish banking market consists of a large number of small local banks and savings banks.

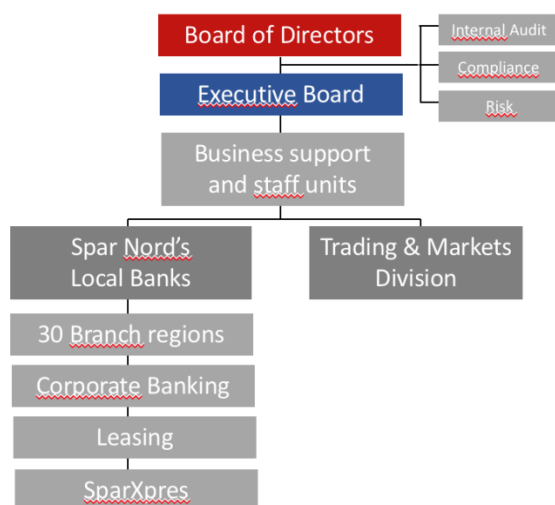
Spar Nord Bank's competitors thus comprise large international players as well as small local and regional banks. As for the latter group, competition mainly involves building as many local ties and as strong a commitment to the local community as possible, while for the former group, attractive products and pricing are the most important factors. For both of these competitor groups, it is extremely important to provide a high level of quality in personalised advisory services, which requires, among other things, employees with strong professional skills and strong personal relations with retail and business customers.

Since 2009, the Danish banking sector has experienced negative growth in its overall lending and business volume. Accordingly, winning market share in order merely to maintain business volume has been essential.

1.4 Organisational Structure

Spar Nord Bank is the parent company of the Spar Nord Bank Group, which consists of Spar Nord Bank and its subsidiaries. Spar Nord Bank's organisation chart is shown below:

Spar Nord Bank's organisational structure



1.5 Spar Nord Bank

Spar Nord is listed on the Nasdaq Copenhagen A/S, and is a component of the Large Cap segment. The share capital amounts to DKK 1,230,025,260, divided into shares of DKK 10 each. At end-2018, Spar Nord Bank had approximately 103,000 shareholders. The ten largest shareholders combined held about 48 per cent. of the share capital. About 64 per cent. of the share capital is held by foundations and institutional investors and other major shareholders, while 36 per cent. of the capital is held by shareholders who each own fewer than 20,000 shares. Geographically speaking, about 70 per cent. of the share capital is owned by Danish investors and about 30 per cent. by foreign investors.

Spar Nord Bank has two shareholders who have announced that they each hold more than 5 per cent. of the share capital. Spar Nord Fonden (the Spar Nord Foundation) is the largest shareholder, having an interest of 18.9 per cent. Nykredit Realkredit A/S is the second largest shareholder, having an interest of 11.4 per cent.

1.6 Spar Nord Bank's subsidiary

The following table shows Spar Nord Bank's subsidiary owned by Spar Nord Bank at the date of this Prospectus as well as a specification of its ownership interest. Spar Nord Bank's ownership interest corresponds to its voting shares in the company listed below.

Spar Nord Bank's subsidiary as at the date of this Prospectus

Name	Registered office	Country of incorporation	Ownership interest
Aktieselskabet Skelagervej 15	Aalborg	Denmark	100 %

1.7 Associates

Spar Nord Bank has equity investments in a number of associates, of which Danske Andelskassers Bank is the most important. As at 31 December 2018, Spar Nord Bank's stake in Danske Andelskassers Bank amounted to approx. 30.1 per cent. Other associates in which Spar Nord Bank has

equity investments: JSNA Holding A/S, Core Property Management A/S, Erhvervsinvest K/S, Factor Insurance Brokers A/S and Young Money ApS.

1.8 Spar Nord Bank's Board of Directors and Executive Board

As at the date of this Prospectus, Spar Nord Bank's Board of Directors consists of:

1.8.1 Kjeld Johannesen

Kjeld Johannesen was born in 1953 and has been a member of Spar Nord Bank's Board of Directors since 2014. Kjeld Johannesen holds a BCom (Marketing) and was previously the CEO of Danish Crown for 27 years. Moreover, Kjeld Johannesen has management experience from a large number of directorships of companies and interest groups.

Kjeld Johannesen's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- KPC Holding A/S
- Hamlet Protein A/S
- New Nutrition ApS
- New Nutrition Holding ApS

BOARD MEMBER

- Aktieselskabet Schouw & Co
- Direktør Hans Hornsyld og Hornsyld og Hustru Eva Hornsylds Legat
- Direktør Svend Hornsylds Legat
- Sparekassen Nordjyllands Fond af 29. marts 1976

MANAGING DIRECTOR

- CLK 2016 Holding ApS
- Kjeld Johannesen Holding ApS

Resigned directorships within the past five years

CHAIRMAN

- Dat-Schaub A/S

BOARD MEMBER

- Dat-Schaub A/S
- Daka Denmark A/S
- Tulip Food Company A/S (deputy chairman)

MANAGING DIRECTOR

- Danish Crown A/S
- Leverandørselskabet Danish Crown AmbA

1.8.2 Per Nikolaj Bukh

Per Nikolaj Bukh was born in 1965 and has been Deputy Chairman of Spar Nord Bank's Board of Directors since 2016. Per Nikolaj Bukh holds an MSc and a PhD in economics. Per Nikolaj Bukh works as a professor at Aalborg University and also has management experience from several directorships.

Per Nikolaj Bukh's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- None

Resigned directorships within the past five years

CHAIRMAN

- None

Per Nikolaj Bukh's current directorships and directorships resigned within the past five years

Current directorships

BOARD MEMBER

- Jurist- & Økonomforbundets Forlag A/S
- Jurist- & Økonomforbundets Forlagsfond
- Professionshøjskolen University College Nordjylland
- Sparekassen Nordjyllands Fond af 29. marts 1976
- Oberst H. Parkovs Mindefond

Resigned directorships within the past five years

BOARD MEMBER

- Padborg Ejendomme ApS
- Jurist- og Økonomiforbundets Forlag Holding A/S

MANAGING DIRECTOR

- P.N. Bukh ApS

MANAGING DIRECTOR

- Value Spread 1 ApS

1.8.3 Laila Mortensen

Laila Mortensen was born in 1965 and has been a member of Spar Nord Bank's Board of Directors since 2012. Laila Mortensen holds an MSc in Insurance Science from the University of Copenhagen and has furthermore completed an executive management programme at IMD Business in Switzerland. Laila Mortensen is Chief Executive Officer of Industriens Pension and has experience from several other directorships in the financial sector.

Laila Mortensen's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- IP Ejendomme 2013 P/S
- IP Infrastruktur P/S
- IP Komplementar ApS
- IP Infrastruktur Komplementar ApS
- IP Europahuset ApS
- IP Næstved Stråleterapi P/S
- IP Sankt Petri P/S

Resigned directorships within the past five years

CHAIRMAN

- IP OPP P/S
- P/S Opp psykiatrisk afdeling Vejle - Industriens Pension
- IP Sankt Petri Komplementar ApS

Laila Mortensen's current directorships and directorships resigned within the past five years

Current directorships

BOARD MEMBER

- Kapitalforeningen Industriens Pension Portfolio (deputy chairman)
- IP Alternative Investments Komplementar ApS
- IP Finans 1 ApS
- Forsikring & Pension
- Forsikringorganisationernes Fællessekretariat F.M.B.A
- Styrelsen for Danmarks Statistik (deputy chairman)
- Sparekassen Nordjyllands Fond af 29. marts 1976

MANAGING DIRECTOR

- Industripension Holding A/S
- Industriens Pensionsforsikring A/S
- Industriens Pension Service A/S

Resigned directorships within the past five years

BOARD MEMBER

- IP Næstved Stråleterapi Komplementar ApS
- Dansk Statistik
- Mad & Møder, Forsikring og Pension ApS

MANAGING DIRECTOR

- Komplementarselskabet OPP Psykiatrisk afdeling Vejle – Industriens Pension ApS

1.8.4 Kaj Christiansen

Kaj Christiansen was born in 1955 and has been a member of Spar Nord Bank's Board of Directors since 2012. Kaj Christiansen is a state-authorized public accountant and until 2018 was CEO of FME, Frederikshavn Maritime Erhvervspark A/S.

Kaj Christiansen's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- None

BOARD MEMBER

- Dokøen A/S
- Frederikshavn Maritime Erhvervspark A/S
- Spar Nord Foundation
- Sparekassen Nordjyllands Fond af 29. marts 1976

Resigned directorships within the past five years

CHAIRMAN

- None

BOARD MEMBER

- Fonden Arena Nord
- Northern Offshore Service A/S
- Ringvejens Erhvervsinvest A/S

Kaj Christiansen's current directorships and directorships resigned within the past five years

Current directorships

MANAGING DIRECTOR

- Dokøen A/S

Resigned directorships within the past five years

MANAGING DIRECTOR

- KS Værftsvej 23, Aalborg
- Komplementaranpartsselskabet Værftsvej
- Frederikshavn Maritime Erhvervspark A/S
- Komanditaktieselskabet Østre havn
- Østre Havn Aalborg ApS
- Danyard Holding ApS

1.8.5 Morten Bach Gaardboe

Morten Bach Gaardboe was born in 1968 and has been a member of Spar Nord Bank's Board of Directors since 2016. Morten Bach Gaardboe has a financial services background and is the CEO of Altru ApS, Ejendomsselskabet Hans Egedes Vej 29 ApS, FEG Invest ApS og Gaardboe 2 Holding ApS.

Morten Bach Gaardboe's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- Svend Aage Nielsen Autoriseret El-installatør A/S
- Slagelse Erhvervscenter A/S

BOARD MEMBER

- Gefion Group A/S
- Rødovre Port Holding A/S
- Sparekassen Nordjyllands Fond af 29. marts 1976

Resigned directorships within the past five years

CHAIRMAN

- Leto Leasing P/S

BOARD MEMBER

- P.T.O. Teknik A/S
- Altru ApS
- FEG Invest ApS
- Fynboglas ApS
- Glascom A/S
- FEG Invest 2 ApS
- Dansk Glassliberi A/S

Morten Bach Gaardboe's current directorships and directorships resigned within the past five years

Current directorships

MANAGING DIRECTOR

- None

Resigned directorships within the past five years

MANAGING DIRECTOR

- Altru ApS
- Ejendomsselskabet Hans Egedes Vej 29 ApS
- FEG Invest ApS
- Gaardboe 2 Holding ApS
- Glascom A/S
- FEG Invest 2 ApS
- Dansk Glassliberi A/S

1.8.6 John Sørensen

John Sørensen was born in 1957 and has been a member of Spar Nord Bank's Board of Directors since 2015. John Sørensen is trained as an accountant and is the managing director of The Accounts Division of the Ministry of Defence.

John Sørensen's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- None

BOARD MEMBER

- Sparekassen Nordjyllands Fond af 29. marts 1976
- Sparekassen Sæbys Fond

MANAGING DIRECTOR

- The Accounts Division of the Ministry of Defence

Resigned directorships within the past five years

CHAIRMAN

- None

BOARD MEMBER

- For retfærdigheden A/S

MANAGING DIRECTOR

- None

1.8.7 Jannie Skovsen

Jannie Skovsen was born in 1965 and has been an employee-elected member of Spar Nord Bank's Board of Directors since 2008. Jannie Skovsen has a financial services background and holds a business diploma in marketing. Jannie Skovsen is a workplace representative of Spar Nord Bank and serves as an employee representative on Spar Nord Bank's Board of Directors.

Jannie Skovsen's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- The Financial Services Union "Spar Nord Kreds"

Resigned directorships within the past five years

CHAIRMAN

- None

Jannie Skovsen's current directorships and directorships resigned within the past five years

Current directorships

BOARD MEMBER

- The Financial Services Union executive committee
- The Spar Nord Foundation
- Sparekassen Nordjyllands Fond af 29. marts 1976
- The Financial Services Union "Spar Nord Kreds"

MANAGING DIRECTOR

- None

Resigned directorships within the past five years

BOARD MEMBER

- None

MANAGING DIRECTOR

- None

1.8.8 Gitte Holmgaard Sørensen

Gitte Holmgaard Sørensen was born in 1965 and has been an employee-elected member of Spar Nord Bank's Board of Directors since 2012. Gitte Holmgaard Sørensen holds a business diploma (financing), has a financial services background and has also received board of directors training for financial companies. Gitte is a workplace representative of Spar Nord Bank and serves as an employee representative on Spar Nord Bank's Board of Directors.

Gitte Holmgaard Sørensen's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- The Personnel Foundation of Spar Nord (Personalefonden i Spar Nord)

BOARD MEMBER

- The Financial Services Union "Spar Nord Kreds"
- Sparekassen Nordjyllands Fond af 29. marts 1976

MANAGING DIRECTOR

- None

Resigned directorships within the past five years

CHAIRMAN

- None

BOARD MEMBER

- None

MANAGING DIRECTOR

- None

1.8.9 Lene Aaen

Lene Aaen was born in 1970 and has been a member of Spar Nord Bank's Board of Directors since 2018. Lene Aaen has a financial services background is a workplace representative of Spar Nord Bank.

Lene Aaen's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- None

Resigned directorships within the past five years

CHAIRMAN

- None

Lene Aaen's current directorships and directorships resigned within the past five years

Current directorships

BOARD MEMBER

- The Financial Services Union "Spar Nord Kreds"
- Sparekassen Nordjyllands Fond af 29. marts 1976

MANAGING DIRECTOR

- None

Resigned directorships within the past five years

BOARD MEMBER

- None

MANAGING DIRECTOR

- None

As of the date of this Prospectus, Spar Nord Bank's Executive Board consists of:

1.8.10 Lasse Nyby

Lasse Nyby was born in 1960 and was appointed Chief Executive Officer of Spar Nord Bank in 2000. Lasse Nyby has a financial services background and holds a BCom in management and accounting and has completed an executive education programme at INSEAD in France. Lasse Nyby also has management experience from several directorships.

Lasse Nyby's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- Aktieselskabet Skelagervej 15
- National Banks of Denmark

BOARD MEMBER

- AP Pension Livsforsikringselskab
- AP Pensionsservice
- Foreningen AP Pension F.M.B.A.
- Nykredit A/S
- Totalkredit A/S
- PRAS A/S (deputy chairman)
- Finans Danmark
- FR I af 16. September 2015 A/S
- Sparekassen Nordjyllands Fond af 29. marts 1976

MANAGING DIRECTOR

- None

Resigned directorships within the past five years

CHAIRMAN

- Erhvervsinvest Nord A/S
- Komplementarselskabet Clearwater International ApS
- Spar Nord Ejendomsselskab A/S – ceased to exist by merger
- JSNA Holding ApS

BOARD MEMBER

- Vækst-invest Nordjylland A/S
- PRAS A/S
- Spar Nord Leasing A/S – ceased to exist by merger
- AP Skadesforsikring Aktieselskab A/S

MANAGING DIRECTOR

- None

1.8.11 John Lundsgaard

John Lundsgaard was born in 1964 and was appointed Managing Director of Spar Nord Bank in 2000. John Lundsgaard has a financial services background and holds a Master in Business Administration (MBA). John Lundsgaard also has management experience from several directorships.

John Lundsgaard's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- Factor Insurance Brokers A/S

BOARD MEMBER

- Aktieselskabet Skelagervej 15 (deputy chairman)
- BOKIS A/S
- Bankernes EDB Central a.m.b.a
- Finanssektorens Uddannelsescenter
- Kunsten Museum of Modern Art, Aalborg
- Letpension A/S
- Utzon Center A/S
- Sparekassen Nordjyllands Fond af 29. marts 1976

MANAGING DIRECTOR

- None

Resigned directorships within the past five years

CHAIRMAN

- SDC A/S
- Høgsberg Assurance Service A/S

BOARD MEMBER

- BOKIS (deputy chairman)
- Bolighed A/S
- Swipp ApS
- Swipp Holding ApS
- Finanssektorens Arbejdsgiverforeninge
- Aktieselskabet Skelagervej 15
- Spar Nord Ejendomsselskab A/S – ceased to exist by merger

MANAGING DIRECTOR

- None

1.8.12 Lars Møller

Lars Møller was born in 1957 and was appointed Managing Director of Spar Nord Bank in 2000. Lars Møller has a financial services background and has completed an executive education programme at INSEAD in France. Lars Møller also has management experience from several directorships.

Lars Møller's current directorships and directorships resigned within the past five years

Current directorships

CHAIRMAN

- BI Asset Management Fondsmæglerselskab A/S
- BI Holding A/S
- BI Management A/S

Resigned directorships within the past five years

CHAIRMAN

- None

Lars Møller's current directorships and directorships resigned within the past five years

Current directorships

BOARD MEMBER

- Aktieselskabet Skelagervej 15
- DLR Kredit A/S (deputy chairman)
- Sparekassen Nordjyllands Fond af 29. marts 1976

MANAGING DIRECTOR

- None

Resigned directorships within the past five years

BOARD MEMBER

- DLR Kredit A/S
- Erhvervsinvest Nord A/S
- Spar Nord Ejendomsselskab A/S – ceased to exist by merger

MANAGING DIRECTOR

- None

The business address of the members of Spar Nord Bank's Board of Directors and Executive Board is Skelagervej 15, 9000 Aalborg, Denmark.

There are no potential conflicts of interests between any duties to the Bank of members of the Board of Directors or Executive Board and their private interests and/or other duties

2. CAPITAL AND RISK MANAGEMENT

Spar Nord Bank has adopted a number of policies and instructions to ensure that the Spar Nord Bank Group consistently has adequate capital and cash resources to comply with statutory requirements and to support the Group's future activities and growth.

The Spar Nord Bank Group pursues a target of a Common Equity Tier 1 Capital Ratio of 13.5 per cent, while the target for the Spar Nord Bank Group's Own Funds Ratio is 17.5 per cent. The targets were raised when the Bank was designated as a SIFI institution in January 2019.

With respect to cash resources, Spar Nord Bank aims for the Group's lending and liquidity reserves to be funded long-term using customer deposits, senior loans, issued bonds, subordinated debt and shareholders' equity. Subordinated debt, senior loans and issued bonds falling due within 12 months are not included in this calculation. Moreover, Spar Nord Bank's objective is for the LCR to amount to at least 125 per cent. and to have liquidity ratios for both the liquidity benchmark and funding ratio that comply with the threshold values of the Danish FSA's Supervisory Diamond.

2.1 Capitalisation

Spar Nord Bank is licensed to carry on banking activities and is as such subject to a capital requirement pursuant to the CRR, the CRD Directive and the Danish Financial Business Act. Amongst other things, the CRR lays down rules for calculating own funds and total risk exposure amount ("REA").

2.1.1 Capital policy

Spar Nord Bank has adopted a capital policy, which forms the foundation of Spar Nord Bank's risk profile in terms of capital. The capital policy aims to ensure that Spar Nord Bank consistently complies with applicable legislation in respect of the following three areas:

- Calculation of risk exposure, own funds and capital requirement
- Individual solvency need and supervision procedures
- Market discipline through a number of disclosure obligations

Spar Nord Bank has adopted a number of guidelines to ensure that it constantly has access to sufficient capital to support its future business activities and growth. At the same time, Spar Nord Bank must be able to overcome cyclical downturns and absorb unexpected substantial credit losses and substantial negative changes in the value of market-risk-related positions.

2.1.2 Own Funds

Own funds are composed of Common Equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital.

The table below shows Spar Nord Banks's issues of own funds at 31 December 2018. All issues meet the requirements laid down in the CRR with a view to inclusion in the calculation of own funds.

Spar Nord Bank Group's issues of subordinated debt at 31 December 2018 (DKKm)

	Principal	Issue date	First call date
Additional Tier 1 Capital - DK0030362512	400	10/06/2015	10/06/2020
Additional Tier 1 Capital - DK0030386297	450	06/12/2016	06/12/2021
Tier 2 capital - NO0010808033	436	18/10/2017	18/10/2022
Tier 2 capital - DK0030422357	400	19/06/2018	19/06/2023
Tier 2 capital - DK0030431341	150	29/11/2018	29/05/2024
Tier 2 capital - DK0030432075	350	29/11/2018	29/05/2024

The table below shows a calculation of own funds at 31 December 2018 for the Spar Nord Bank Group on the basis of the book equity.

Spar Nord Bank Group - Own Funds (DKKm)	31.12.2018
Shareholders' equity according to balance sheet	9,226
Transitional arrangements for mitigating the impact of the introduction of IFRS 9	206
Regulation according to limit for holdings own capital instruments	-27
Provision for dividend	-431
Deduction tier 1 capital included in equity	-846
Indirect holdings of own capital instruments	-1
Additional value adjustments	-21
Goodwill	-159
Tax – Goodwill	27
Deferred tax assets	0
Intangible assets	-19
Tax – Intangible assets	4
Deduction insignificant capital shares - CET1 instruments	-376
Deduction significant capital shares - CET1 instruments	-35
Common Equity Tier 1 Capital	7,549
Tier 1 capital	843
Deduction – Holdings of insignificant AT1 capital	-5
Total Tier 1 Capital	8,387
Tier 2 instruments	1,314
Deduction- Holdings of insignificant Tier 2 capital	-10
Total capital base	9,691

2.1.3 Risk exposure amount and capital ratios

REA is a risk measure used, among other things, for determining the minimum own funds requirement and also for calculating capital ratios, the total capital requirement (including buffer requirement and the individual solvency need) and MREL requirement. The risk exposure represents the basis for determining the capital that must be reserved relative to the risk undertaken by Spar Nord Bank in activities involving credit and market risk. Finally, operational risk is a component of the total Risk Exposure Amount.

A variety of factors impact the REA, including the distribution of credit exposures on customer categories and products. The risk exposure for credit risk and market risk is calculated on the basis of the CRR standardised approach. The market value approach is used for calculating counterparty risk, while the calculation of operational risk is made using the basic indicator approach. In addition, Spar Nord Bank exercises the option to apply lower weighting to credit risk, including the use of the exposure categories retail customers and mortgages on real property as well as the Financial Collateral Comprehensive Method.

The figure below shows Spar Nord Bank's use of capital models for calculating risk exposure.

Spar Nord Bank's use of capital models to calculate risk exposure

Risk	Method
Credit risk	Standardised approach
Counterparty risk	Market value approach
Valuation of collateral security	Comprehensive method
Market risk	Standardised approach
Operational risk	Basic indicator approach
CVA – Credit Value Adjustment	Standardised approach

The table below shows capital ratios and the REA at 31 December 2018 for the Spar Nord Bank Group. As shown in the table, both the Common Equity Tier 1 Capital Ratio and the own funds ratio were 0.5 of a percentage point higher than the target.

Spar Nord Bank Group's Total Risk Exposure Amount and Capital Ratios	31.12.2018
Risk Exposure Amount	
Weighted risk exposure amount, credit risk etc. (DKKm)	44,029
Weighted risk exposure amount, market risk (DKKm)	4,125
Weighted risk exposure amount, operational risk (DKKm)	5,705
Total Risk Exposure Amount (DKKm)	53,858
Capital Ratios	
Common Equity Tier 1 Capital Ratio	14.0
Tier 1 Capital Ratio	15.6
Own Funds Ratio	18.0

2.1.4 Individual solvency requirement

The Danish Financial Business Act, the CRD Directive and SREP guidelines stipulates requirements for the individual solvency requirement and any additional capital requirements. These requirements are to cover the risks not sufficiently covered by the minimum own funds requirement of 8 per cent. pursuant to CRR. Such risks include business risks and special credit risks.

Spar Nord Bank uses the so-called 8+ approach recommended by the Danish FSA in its guideline. The 8+ approach is based on the statutory minimum capital requirement of 8.0 per cent. of the REA (Pillar 1) plus add-ons for risks and matters not fully reflected in the calculation of the REA. In other words, ordinary risks are assumed to be covered by the 8 per cent. requirement, and, consequently a position has to be taken on the extent to which an institution has additional risks that necessitate an add-on to the calculated solvency need (Pillar 2).

In the guidelines issued by the Danish FSA, benchmarks have been defined within a number of risk areas determining when the Danish FSA basically finds that Pillar 1 is insufficient, and that an add-on to the minimum own funds requirement is required. In addition, to the extent possible methods have been introduced for calculating the amount of the add-on within the individual risk areas. Based on the guidelines issued by the Danish FSA, Spar Nord Bank's Board of Directors determines Spar Nord Bank's sufficient own funds and individual solvency need based on the recommendation of the Solvency and Risk Management Committee.

Spar Nord Bank's calculation method follows the guidelines issued by the Danish FSA and is based on an assessment of risks within the following nine key areas:

1. Earnings
2. Growth in lending
3. Credit risks
4. Market risk
5. Liquidity risk
6. Operational risk
7. Leverage
8. Regulatory maturity of capital instruments
9. Other risks

The impact of the individual areas on the solvency need has been calculated directly using the methods designated by the Danish FSA in its guidelines, and by making supplementary calculations. An estimate has been made in selected risk areas.

The table below shows a calculation of the own funds requirement at 31 December 2018 for the Spar Nord Bank Group.

Spar Nord Bank Group's sufficient own funds by risk area	2018 (DKKm)	2018 (% of REA*)
Minimum 8% requirement		
Credit risk, incl. CVA	3,522	6.5
Market risk	330	0.6
Operational risk	456	0.8
Total	4,309	8.0

Spar Nord Bank Group's sufficient own funds by risk area	2018 (DKKm)	2018 (% of REA*)
Minimum 8% requirement		
Add-on to solvency need		
Credit risk	334	0.6
Market risk	328	0.6
Other risks	120	0.2
Total add-on	782	1.5
Total	5,091	9.5

*) REA = Risk Exposure Amount

Sufficient own funds for Spar Nord Bank at 31 September 2018 have been calculated at DKK 5,091 million. This corresponds to a solvency need ratio of 9.5 per cent.

Of the sufficient own funds, DKK 3,856 million is ascribable to credit risk. In addition, DKK 658 million of the sufficient own funds attaches to market risk. The remaining DKK 576 million (due to rounding of figures) is ascribable to operational risk and other risks.

2.1.5 Combined buffer requirement

By virtue of the implementation of the CRD Directive into the Financial Business Act, Danish financial institutions must comply with a number of capital buffer requirements. A common feature of all buffer requirements is that only Common Equity Tier 1 Capital may be used for meeting the bank's combined buffer requirement. If a financial institution fails to meet the combined buffer requirement, it would face restrictions in terms of making dividend payments and other distributions.

The combined capital buffer requirement consists of a countercyclical capital buffer, a capital conservation buffer and a systemic buffer. In addition, a buffer requirement applies to banks designated as SIFIs.

The Danish Minister for Industry, Business and Financial Affairs determines the countercyclical buffer rate in Denmark. The Danish Minister for Industry, Business and Financial Affairs set the countercyclical capital buffer at 0 per cent. for 2016, 2017 and 2018. From March 2019, however, a countercyclical buffer requirement of 0.5 per cent. has applied in Denmark. On 25 September 2018, following the recommendation from the Danish Systemic Risk Council, the Danish Minister for Industry, Business and Financial Affairs decided to increase the countercyclical capital buffer rate in Denmark from 0.5 per cent. to 1 per cent. from 30 September 2019. On 26 March 2019, the Danish Systemic Risk Council recommended that the Minister for Industry, Business and Financial Affairs increase the countercyclical capital buffer from 1.0 per cent. to 1.5 per cent. from 30 June 2020. On 4 July 2019, the Minister for Industry, Business and Financial Affairs decided to increase the countercyclical capital buffer rate in Denmark to 1.5 per cent. from 30 June 2020. On 1 October 2019, the Danish Systemic Risk Council recommended that the Minister for Industry, Business and Financial Affairs increase the countercyclical capital buffer from 1.5 per cent. to 2.0 per cent. from 30 December 2020. According to the statement, the Danish Systemic Risk Council expects to recommend a further increase of the buffer rate by 0.5 percentage point in the first quarter of 2020 unless the risk build-up in the financial system slows down considerably. The incremental increases follow the Danish Systemic Risk Council's strategy to increase the buffer rate gradually to a level of 2.5 per cent. On 3 October 2020, the Minister for Industry, Business and Financial Affairs decided to increase the countercyclical capital buffer rate in Denmark to 2.0 per cent. from 30 December 2020.

The capital conservation buffer serves to ensure a more robust financial sector in terms of a strengthened Common Equity Tier 1 Capital Ratio. Phasing in of the buffer requirement commenced in 2016, and it will be fully phased-in in 2019, when banks must reserve 2.5 per cent. of their total Risk Exposure Amount.

After being designated a SIFI institution, Spar Nord Bank is subject to a 1.0 per cent. SIFI buffer requirement, which must be complied with by the end of 2020.

The table below shows the calculated combined buffer requirement at 31 December 2018.

Spar Nord Bank Group – Combined buffer requirement	31.12.2018
Total Risk Exposure Amount (DKKm)	53,858
Institution-specific countercyclical buffer requirement (%)	0.0
Capital conservation buffer requirement (%)	1.9
Institution-specific countercyclical risk exposure (%)	8
Capital conservation buffer requirement (DKKm)	1,010
Combined buffer requirement (DKKm)	1,018

2.1.6 Total capital requirement and excess coverage

The regulatory capital requirements express the amount of capital a bank must reserve to cover the risk it undertakes in the course of its operations in the fields of credit risk, market risk and operational risk.

The capital requirement is the sum of the minimum own funds requirement, the individual solvency requirement and the combined buffer requirement.

The table below shows the calculated capital requirement and excess coverage at 31 December 2018.

Spar Nord Bank Group – Capital requirement and excess coverage at 31 December 2018	DKKm	%
Minimum 8% requirement	4,309	8.0
Add-on to solvency need	782	1.5
Combined buffer requirement	1,018	1.9
Capital requirement	6,109	11.3
Total capital	9,691	18.0
Excess tier 2 capital	31	0.1
Excess coverage	3,551	6.6

2.1.7 MREL requirement

Pursuant to the Danish Financial Business Act, plans for winding up distressed banks are prepared by the Danish FSA and Finansiell Stabilitet. In connection with such plans, MREL must be defined. The general resolution principle for SIFIs, such as the Issuer, is that it should be possible to restructure them so they can return them to the market with adequate capitalisation to ensure market confidence.

The Spar Nord Bank Group's MREL requirement has been determined to two times its own funds requirement including its combined buffer requirement (however, only one time its countercyclical capital buffer requirement). The MREL requirement for the Group will be gradually phased in starting from 1 January 2019 and to be fully complied with by 1 January 2022 where a MREL requirement of

15.1 per cent. of the Spar Nord Bank Group's total liabilities and own funds, which corresponds to 24.1 per cent. of the Spar Nord Bank Group's REA, will apply.

2.1.8 Leverage ratio

The leverage ratio is calculated as Tier 1 Capital relative to REA. Spar Nord Bank has put in place procedures intended to counter the risk of excess leverage exposure and to ensure identification, management and monitoring of Spar Nord Banks's leverage exposure. In addition, methodologies have been developed to measure risks connected with excess leverage and other methodologies designed for assessing significant changes in leverage ratio.

From 28 June 2021 a leverage ratio requirement of 3 per cent. will apply. Spar Nord Bank complies with this requirement and with its own minimum leverage target of 6 per cent. by a fair margin as Spar Nord Banks's leverage ratio was calculated at 8.7 per cent. at end-2018.

2.1.9 Capital policy and future capital plan

The capital policy forms the foundation of the Spar Nord Bank Group's risk profile in terms of capital. The capital policy aims to ensure that the Spar Nord Bank Group consistently complies with applicable legislation in respect of the following three areas: (i) calculation of risk exposure, own funds and capital requirement; (ii) individual solvency need and supervision procedures; and (iii) market discipline through a number of disclosure obligations.

The capital policy defines targets for the common equity tier 1 ratio and the own funds ratio, which should be viewed relative to the capital requirements that apply to the Spar Nord Bank Group.

Compliance with the defined capital targets is ensured primarily through the ongoing consolidation via the Spar Nord Bank Group's ordinary operations and through consistent focus on optimising the capital structure. However, the excess capital coverage will be somewhat lower than the targets defined by Spar Nord Bank's Board of Directors and Executive Board.

2.2 Liquidity

The Spar Nord Bank Group's operations are predominantly funded through four funding sources:

- Short-term funding (loans from or repo transactions with other credit institutions and Danmarks Nationalbank)
- Customer deposits (bank deposits and repo transactions with customers)
- Senior funding (issued bonds and senior loans)
- Shareholders' equity and subordinated debt

Going forward, the issuance of non-preferred senior debt will also be a substantial funding source for Spar Nord Bank.

The Spar Nord Bank Group's primary source of funding are customer deposits, which at 31 December 2018 accounted for 80 per cent. of Spar Nord Bank's total funding.

The table below shows a calculation of the funding structure at 31 December 2018 for the Spar Nord Bank Group.

Spar Nord Bank Group - Funding structure (DKKm)	31/12/2018
Central banks and credit institutions	947
Repos and repurchases with central banks and credit institutions	1,519
Senior loans < 1 year	0
Issued bonds < 1 year	0
Deposits < 1 year	1,469
Deposits > 1 year and on demand	49,304
Senior loans > 1 year	0
Issued bonds > 1 year	0
Subordinated debt	1,332
Equity	9,241
Total	63,812

Short-term funding is funding with a term to maturity of less than 12 months. Short-term funding consists of unsecured debt to central banks and credit institutions, repo and repurchase business and deposits <1 year, senior loans and issued bonds with terms to maturity of less than 12 months. For Spar Nord Bank, short-term funding accounted for DKK 3,935 million or 6.2 per cent. of total funding.

Long-term funding is funding with a term to maturity of more than 12 months. Long-term funding consists of senior loans and issued bonds with terms to maturity of more than 12 months. Also included are demand deposits, deposits with terms to maturity of more than 12 months, subordinated debt and equity. Subordinated debt is recognised as long-term funding because Spar Nord Bank pursues a policy of repaying such debt on ordinary call. Accordingly, the contractual term to maturity will always be greater than 12 months.

Some of Spar Nord Bank amounts due to credit institutions and central banks are secured either by cash collateral or secured against bonds. At 31 December 2018, Spar Nord Bank had entered into genuine sale and repo transactions with credit institutions totalling DKK 1.5 billion and provided cash collateral for financial transactions totalling DKK 0.3 billion.

Of deposits and other payables at 31 December 2018 totalling DKK 51 billion, DKK 37 billion is covered by the Danish Deposit Guarantee Scheme. The remaining deposits of some DKK 14 billion are not covered by a guarantee scheme.

At 31 December 2018, Spar Nord Bank had contingent liabilities by way of guarantees of DKK 12.1 billion and other contingent liabilities of DKK 0.6 billion.

Spar Nord Bank has no debt guaranteed by third parties.

2.2.1 Maturity structure of capital market funding

The table below shows the maturity structure of the Spar Nord Bank Group's capital market funding at 31 December 2018. It is assumed that, in accordance with Spar Nord Bank's practice in the area and subject to approval by the Danish FSA, the subordinated loan capital will be repaid at the first possible call.

Spar Nord Bank Group - Maturity structure (DKKm)	2019	2020	2021	2022 ->	Total
Senior loans	0	0	0	0	0
Issued bonds	0	0	0	0	0
Tier 2 Capital	0	0	0	1,336	1,336
Additional Tier 1 Capital	0	400	450	0	850
Total	0	400	450	1,336	2,186

Long-term liquidity is calculated relative to Spar Nord Bank's internal strategic liquidity target and the funding ratio requirement of the Supervisory Diamond. Short-term liquidity is calculated relative to the requirements of the LCR Regulation.

With respect to strategic liquidity, Spar Nord Bank aims for its lending and liquidity reserves to be funded long term using customer deposits, senior loans, issued bonds, subordinated debt and equity. Subordinated debt, senior loans and issued bonds falling due within 12 months are not included in this calculation. At 31 December 2018, Spar Nord Bank had strategic liquidity resources of DKK 21.8 billion.

Spar Nord Bank Group – Strategic liquidity (DKKm)	31/12/2018
Deposits, banking activities	50,773
Senior loans	0
Subordinated debt	1,332
Equity	9,241
Liquidity procurement	61,346
Lending, banking and leasing activities	39,551
Senior loans and subordinated debt with a term to maturity of less than 12 months	0
Total strategic liquidity	21,796

Relative to the LCR Regulation, Spar Nord Bank calculated its LCR at 31 December 2018 at 174 per cent. Relative to Spar Nord Bank's goal of a minimum LCR of 125 per cent, the excess coverage of 49 percentage points equals excess liquidity of DKK 4.7 billion.

Liquidity Coverage Ratio (DKKm)	31/12/2018
Liquidity resources	16,513
Liquidity Coverage Requirement	9,471
LCR (%)	174%

2.3 Spar Nord Bank credit ratings

Spar Nord Bank's credit ratings are material to the price of funding and capital as well as to funding flexibility, as it provides access to subordinated Tier 2 capital and Additional Tier 1 capital, as well as a broad investor base for both longer dated preferred and non-preferred senior debt. Therefore, it is a high priority of the Spar Nord Bank Group that the credit rating of the Issuer is on a high and competitive level.

Spar Nord Bank is rated by Moody's. On 30 October 2019, Moody's has assigned a long term unsecured rating of A1 and a short term unsecured rating of P-1 to Spar Nord Bank. These ratings are based on a baseline credit assessment (BCA) and adjusted BCA of baa1. The rating of Spar Nord Bank benefited from Moody's advanced loss given failure (LGF) analysis with three notches of rating uplift. The outlook on the long-term deposit rating is stable.

2.4 Legal and arbitration proceedings

The Spar Nord Bank Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks. As a result, the Spar Nord Bank Group is and may become involved in various disputes and legal proceedings in Denmark and other jurisdictions, including litigation and regulatory investigations. Such disputes and legal proceedings are subject to many uncertainties, and outcomes are often difficult to predict, particularly in the earlier stages of a case or investigation.

The Spar Nord Bank Group is a party to a number of legal disputes arising from its business activities. Provisions for legal disputes are recognised where a legal or constructive obligation has incurred as a result of past events and it is probable that there will be an outflow of resources that can be reliably estimated. In this case, the Spar Nord Bank Group arrives at an estimate on the basis of an evaluation of the most likely outcome. Provisions are measured at the present value of the anticipated expenditure for settlement of the legal or constructive obligation that reflects the risks specific to the obligation.

As at the date of this Prospectus there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the past 12 months, significant effects on the financial position or profitability of the Issuer and/or the Spar Nord Bank Group.

SUMMARY OF CERTAIN PROVISIONS RELATING TO THE NOTES SETTLED THROUGH VP AND VPS

Initial issue of Notes settled through VP (“VP Notes”)

Each Tranche of VP Notes settled through VP will be issued in uncertificated and dematerialised book entry form. Legal title to the VP Notes will be evidenced by book entries in the records of the VP. VP Notes will not be evidenced by any physical note or document of title other than statements of account made by VP. On the issue of such VP Notes, the Issuer will send a copy of the relevant Final Terms or Pricing Supplement, as applicable, to the VP Issuing Agent. Following notification of the relevant Final Terms or Pricing Supplement, as applicable, to the VP Issuing Agent and notification to the VP Issuing Agent of the subscribers of the VP Notes and their respective VP account details by the relevant Dealer(s), the VP Issuing Agent, acting on behalf of the Issuer, will effect that each subscribing account holder with the VP will be credited with a nominal amount of VP Notes equal to the nominal amount thereof for which it has subscribed and paid.

Sales and transfers of VP Notes

Settlement of sale and purchase transactions in respect of VP Notes in VP will take place on the VP settlement platform or on the T2S platform if the required conditions for T2S settlement as set out in VP’s settlement rules are fulfilled. The T2S platform provides harmonised and commoditised delivery-verses-payment settlement. Transfers of interests in the relevant VP Notes will take place in accordance with the rules and procedures for the time being of the VP.

Accountholders in VP

Each person shown in the book entry records of the VP as the holder of one or more VP Notes must look solely to its custody bank for payments made by the Issuer in respect of such VP Note(s). The relevant payment obligation of the Issuer will be discharged by payment to the relevant custody bank in accordance with the rules and procedures for the time being of the VP.

If so specified in the relevant Final Terms or Pricing Supplement, as applicable, the Issuer shall be entitled to obtain certain information, including accountholder information, from the registers maintained by the VP for the purpose of performing its obligations under the issue of VP Notes.

Initial issue of Notes settled through VPS (“VPS Notes”)

Each Tranche of VPS Notes settled through VPS 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. VPS Notes will not be evidenced by any physical note or document of title other than statements of account made by VPS. On the issue of such VPS Notes, the Issuer will send a copy of the relevant Final Terms or Pricing Supplement, as applicable, to the VPS Issuing Agent. Following notification of the relevant Final Terms or Pricing Supplement, as applicable, to the VPS Issuing Agent and notification to the VPS Issuing Agent of the subscribers of the VPS Notes and their respective VPS account details by the relevant Dealer(s), the VPS Issuing Agent, acting on behalf of the Issuer, will effect that each subscribing account holder with the VPS will be credited with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Sales and transfers of VPS Notes

Settlement of sale and purchase transactions in respect of VPS Notes in VPS will take place on the VPS settlement platform. Any such Notes settled on the VPS settlement platform must comply with the Norwegian Act on Registration of Financial Instruments of 5 July 2002 No.64 and the rules of the VPS, in each case as amended or replaced from time to time, and the holders of such Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the applicable legislation as well as the terms and

conditions in effect from time to time of the VPS. 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.

Accountholders in VPS

The Issuer is required to have an issuer's account in VPS evidencing all VPS Notes issued from time to time. Further, each VPS Noteholder is required to have their own investor's account (unless acting through a nominee) showing such person's holding of VPS Notes at any time. For the avoidance of doubt, where a nominee is evidenced as the owner of a Note by a book entry in the records of the VPS, it shall be treated by the Issuer as the holder of the relevant Note.

Both the Issuer and the VPS Noteholder will, for the purposes of registration in the VPS, have to appoint an account operator which will normally be a Norwegian bank or a Norwegian investment firm. The VPS Issuing Agent is acting as the account operator for the Issuer in relation to VPS Notes.

TAXATION

Persons considering the purchase, ownership or disposition of the Notes should consult their own tax advisers concerning the tax consequences in the light of their particular situation. No representations with respect to the tax consequences of any particular Noteholder are made hereby.

Danish Taxation

The following is a summary description of the taxation in Denmark of the Notes according to the Danish tax laws in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment, holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.

Taxation at source

Under Danish tax laws, no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in The Danish Corporation Tax Act (in Danish: “*selskabsskatteloven*”), Consolidated Act no. 1164 of 6 September 2016, as amended from time to time. This will not have any impact on Noteholders who are not in a relationship whereby they control, or are controlled by, the Issuer, or where the Noteholders and the Issuer are not in a relationship due to control by a group of shareholders.

Resident Noteholders

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains are taxable to individuals and corporate entities in accordance with the Danish Capital and Exchange Gains Act (in Danish: “*kursgevinstloven*”), Consolidated Act no. 1283 of 25 October 2016, as amended from time to time. Gains and losses on Notes held by corporate entities are generally taxed in accordance with a mark-to-market principle (in Danish: “*lagerprincippet*”), i.e. on an unrealised basis.

Gains and losses on Notes issued to individuals are generally taxed on a realised basis. The net gains are taxed as capital income at a rate of up to 42 per cent. in 2019. However, this tax rate does not apply if the individual is engaged in financial trade and considered a professional trader. The gain or loss will only be included in the taxable income when the net capital gain or loss for the year on all debt claims, debt denominated in foreign currency and investment certificates in bond-based investment funds subject to the minimum taxation exceeds a total of DKK 2,000 (2019 level).

A variety of features regarding interest and principal may apply to the Notes. The applicable taxation of capital gains to corporate entities or individuals will depend on the features applicable to the Notes in question.

Non-resident Noteholders

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident Noteholder are not subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under “Taxation at source” above. Thus no Danish withholding tax will be

payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Note will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under “Taxation at source” above.

This tax treatment applies solely to Noteholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

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 (together, 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 in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) 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 participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

U.S. Foreign Account Tax Compliance Act Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “**foreign financial institution**” (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Denmark) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition 18) 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. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the

event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Dealers (including Spar Nord Bank A/S in its capacity as Dealer) have in a programme agreement dated 13 November 2019 (the “**Programme Agreement**”) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. The Programme Agreement extends to those matters stated under “*Terms and Conditions of the Notes*”. The Programme Agreement, inter alia, provides that the Issuer will pay each relevant Dealer a commission payable by the Issuer in respect of such purchase of Notes. Furthermore, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme. In case the Issuer is acting as Dealer or Manager in relation to a particular tranche of the Notes there may be a potential conflict of interest of the Issuer acting as Issuer and Dealer or Manager in relation to a particular tranche of the Notes as the Issuer has an interest in the Notes being sold. The Programme Agreement also makes provision for the resignation or termination of the appointment of existing Dealers and for 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 and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it has not offered or sold and will not offer, sell or deliver Notes of any identifiable Tranche (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part as determined, and certified to the Issuer, by the Issuing Agent, or, in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, US persons and it will have sent to each Dealer to which it sells 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, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes of the Tranche of which such Notes are a part, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to European Economic Area Retail Investors

Unless the relevant Final Terms or Pricing Supplement, as applicable, in respect of any Notes specifies “Prohibition of Sales to European Economic Area 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 Prospectus as completed by the relevant Final Terms or Pricing Supplement, as applicable, in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of 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.

If the relevant Final Terms or Pricing Supplement, as applicable, in respect of any Notes specifies “Prohibition of Sales to European Economic Area Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area (each, a “**Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the relevant Final Terms or Pricing Supplement, as applicable, in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (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 would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Denmark

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in Denmark by way of a public offering, unless in compliance with, as applicable, the Prospectus Regulation, the Danish Consolidated Act no. 931 of 6 September 2019 on Capital Markets, as amended, and Executive Orders issued thereunder and in compliance with Executive Order No. 1580 of 17 December 2018, as amended, supplemented or replaced from time to time, issued pursuant to the Danish Financial Business Act.

Norway

Each Dealer has represented and agreed that, unless the Issuer has confirmed in writing to each Dealer that the 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 except:

- (a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration to not less than €100,000 per investor, or in respect of Notes whose denomination per unit amounts to at least €100,000;
- (b) to “professional investors” as defined in Section 10-6 of the Norwegian Securities Trading Act of 29 June 2007 no.75;
- (c) to fewer than 150 natural or legal persons (other than “professional investors” as defined in section 10-6 of the Norwegian Securities Trading Act of 29 June 2007 no.75); or
- (d) in any other circumstances provided that no other such offer of Notes shall result in a requirement for the registration or the publication by the Issuer of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

Notes denominated in Norwegian Krone (NOK) may not be offered or sold, directly or indirectly, within the Kingdom of Norway or to or for the benefit of Norwegian purchasers, unless such Notes are registered with the Norwegian Central Securities Depository (*Verdipapirsentralen ASA* (VPS)).

Sweden

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, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell any Notes or distribute any draft or final document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Prospectus Regulation or any other laws applicable in Sweden.

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”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes 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, any resident of Japan, except pursuant to an exemption from the registration requirements of and, otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and guidelines (where relevant and applicable) in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus or any advertisement or other offering material 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, regulations and guidelines (where relevant and applicable) in force in

any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree.

GENERAL INFORMATION

1. It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Regulated Market will be admitted separately as and when issued. Application has been made to Euronext Dublin for the relevant Notes issued under the Programme during the period of twelve months from the date of this Prospectus to be admitted to the Official List of Euronext Dublin and to trading on the Regulated Market.
2. The Issuer has obtained all necessary consents, approvals and authorisations in Denmark in connection with the issue and performance of the Notes. The establishment of the Programme was duly authorised by a resolution of the Board of Directors of the Issuer passed on 23 October 2019.
3. There has been no significant change in the financial performance or position of the Issuer or the Group since 30 September 2019 nor has there been any material adverse change in the financial position or prospects of the Issuer since 31 December 2018.
4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) as at the date of this Prospectus which may have, or have had in the past 12 months, significant effects on the financial position or profitability of the Issuer and/or the Group.
5. Each Tranche of Notes will be issued in uncertificated and dematerialised book entry form settled through VP or VPS. The Common Code, the International Securities Identification Number (“**ISIN**”), Financial Instrument Short Name (“**FISN**”), Classification of Financial Instruments Code (“**CFI**”) (as applicable) and (where applicable) the identification number for any other relevant clearing or settlement system for each Tranche and Series of Notes will be set out in the relevant Final Terms or Pricing Supplement, as applicable.
6. The address of VP is Weidekampsgade 14, DK-2300 Copenhagen S, Denmark, and the address of VPS is Fred Olsens gate 1, N-0152, Oslo, Norway.
7. There are no material contracts entered into in the ordinary course of the Issuer’s business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligations to Noteholders in respect of the Notes being issued.
8. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
9. So long as Notes are capable of being issued under the Programme, copies of the following documents (and English translations where the documents in question are not in English) will, when published, be available at <https://www.sparnord.com/en/investor-relations/#debtinfo> and/or <https://www.sparnord.com/en/investor-relations/organization/#principles> :
 - (i) the Articles of Association of the Issuer;
 - (ii) a copy of this Prospectus;
 - (iii) any future offering circulars, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or

the Fiscal Agent as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference.

The documents specified in sub-paragraph (i) above are direct English translations of the Danish language originals. In the event that there are any inconsistencies or discrepancies between the Danish language versions and the English translations thereof, the original Danish language versions shall prevail.

In addition, this Prospectus, any supplementary prospectus and each Final Terms will also be available at the website of Euronext Dublin at: <http://www.ise.ie/Market-Data-Announcements/Debt/>.

10. Ernst & Young Godkendt Revisionspartnerselskab of Osvald Helmuths Vej 4, DK-2000 Frederiksberg, Denmark, State Authorised Public Accountants and members of Foreningen af Statsautoriserede Revisorer have audited the Issuer's accounts, without qualification, which were prepared in accordance with The Danish Financial Business Act and the Group's accounts, without qualification, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU, for each of the two financial years ended 31 December 2017 and 2018.
11. Deloitte Statsautoriseret Revisionpartnerselskab of Weidekampsgade 6, DK-2300 Copenhagen S, Denmark, State Authorised Public Accountants and members of Foreningen af Statsautoriserede Revisorer have been appointed as the Issuer's independent registered public accounting firm for the financial year ended 31 December 2019 onwards (replacing Ernst & Young Godkendt Revisionspartnerselskab).
12. Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
13. The Irish Listing Agent is Maples and Calder and the address of its registered office is 75 St. Stephen's Green, Dublin 2, D02 PR50, Ireland. Maples and Calder are acting solely in their capacity as listing agent for the Issuer in connection with the Notes and are not themselves seeking admission of the Notes to trading on the Regulated Market.
14. The language of this 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.
15. In this Prospectus, references to websites or uniform resource locators (each, a "URL") are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Prospectus.

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AUDITORS

*For the financial years ended 31 December 2017 and
31 December 2018*

*For the financial year ending 31 December 2019 and
onwards*

Ernst & Young Godkendt Revisionspartnerselskab

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