

## OFFERING CIRCULAR



### SPAR NORD BANK A/S

*(incorporated with limited liability in the Kingdom of Denmark)*

€3,000,000,000

### Euro Medium Term Note Programme

Under this €3,000,000,000 Euro Medium Term Note Programme (the **Programme**), Spar Nord Bank A/S (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each, a **Dealer** and together, the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes. Notes may be issued in bearer form (**Bearer Notes**), registered form (**Registered Notes**) or uncertified and dematerialised book entry form cleared through the Danish and/or Luxembourg, as the case may be, central securities depository (together the **VP Systems Notes** and individually the **VP** and the **VP LUX**, respectively).

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

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Offering Circular to Notes being **listed** (and all related references) shall mean, in the case other than VP Systems Notes, that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purpose of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange.

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(s). The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Bearer Notes of each Tranche (except Registered Notes or VP Registered Notes) will initially be represented by a temporary global Note which will be deposited on the issue date thereof with the common depository or, as the case may be, a common safekeeper on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and/or any other agreed clearing system. Registered Notes of each Tranche will either be represented by a permanent global Note or Notes in definitive form, as specified in the Final Terms. The VP Systems Notes of each Tranche will be issued in uncertificated and dematerialised registered form as more fully described in the Final Terms.

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

Any person (an **Investor**) intending to acquire or acquiring any securities from any person (an **Offeror**) should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 (**FSMA**), the Issuer may be responsible to the Investor for the Offering Circular under section 90 of FSMA only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Offering Circular for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Offering Circular and/or who is responsible for its contents, it should take legal advice.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (the **CRA Regulation**) will be disclosed in the Final Terms

**Arranger**  
**Barclays Capital**  
**Dealers**

**Barclays Capital**  
**Deutsche Bank**  
**The Royal Bank of Scotland**

**Danske Bank**  
**J.P. Morgan**

The date of this Offering Circular is 31 March 2011.

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive 2010/73/EU (the **Prospectus Directive**).

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

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS OFFERING CIRCULAR AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

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

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

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

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

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

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

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular 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 Offering Circular 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, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and the Kingdom of Denmark) and Japan; see “*Subscription and Sale*”.

This Offering Circular has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

All references in this document to U.S. dollars, U.S.\$ and \$ refer to United States dollars and to Danish Kroner, DKK and Kr refer to Danish kroner, the currency of the Kingdom of Denmark. In addition, all references to euro, EUR and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

EUR 1 shall be construed as DKK 7.4580 in terms of the exchange rate applicable in Copenhagen on 25 March 2011.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

## SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to information contained in this Offering Circular is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Offering Circular before the legal proceedings are initiated.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this summary.

**Issuer:** Spar Nord Bank A/S

**Description:** The Bank is a public limited liability company, registered in Denmark with registration number CVR No 13 73 75 84. Spar Nord Bank A/S (the **Bank**) is Denmark’s fifth-largest full-service retail banking group measured in terms of business volume.

The Bank has its headquarters in Aalborg, the main city of Northern Jutland. Traditionally, Northern Jutland has been the Group’s core business region, but since 2001 the Bank has been expanding geographically by establishing retail banking branches (**Local Banks**) throughout Denmark. In addition, the Group’s leasing company, Finans Nord A/S, has set up a subsidiary in Malmö, Sweden.

In addition to the dominant banking activities of the Bank, its consolidated subsidiaries and affiliates (together with the Bank, the **Group**) include the wholly owned subsidiaries Finans Nord A/S (which focuses primarily on leasing/financing activities), Erhvervsinvest Nord A/S (which specialises in joint venture investment) and Spar Nord Ejendomsselskab A/S (which will be the future owner of the new corporate properties). Finans Nord A/S is the holding company of SN Finans Nord AB (which is the Swedish arm of Finans Nord A/S) and Finans Nord Cross Border A/S (which specialises in leasing arrangements primarily with Eastern Europe).

The Bank has significant ownership interests in Nørresundby Bank A/S, SDC af 1993 Holding A/S (which is a data provider), JSNFA Holding A/S (which owns a stake in a corporate finance company) and Linde Partners Asset Management S.A. (which focuses on asset management).

Financial Summary of the Group:

**INCOME STATEMENT DISCLOSURES**

**31 December**  
**2010      2009**  
*DKK million*

	Net interest income	1,607.9	1,767.7
	Net income from fees, charges and commissions	505.6	416.8
	Market-value adjustments and dividends	268.3	304.0
	Other operating income	132.5	99.8
	Profit/loss on equity investments in associates and group enterprises	61.0	35.9
	<b>CORE INCOME</b>	<b>2,575.3</b>	<b>2,624.2</b>
	<b>COSTS AND EXPENSES</b>	<b>1,642.3</b>	<b>1,621.4</b>
	<b>CORE EARNINGS BEFORE IMPAIRMENT</b>	<b>933.0</b>	<b>1,002.8</b>
	Impairment of loans and advances and receivables.	453.6	584.0
	<b>CORE EARNINGS</b>	<b>479.4</b>	<b>418.8</b>
	Earnings from investment portfolios*)	-22.2	17.1
	Totalkredit (sale of shares)	00	0.0
	<b>PROFIT/LOSS ON ORDINARY OPERATIONS</b>	<b>457.2</b>	<b>435.9</b>
	The Danish Banking Sector Emergency Fund*)	-324.2	-291.2
	<b>PROFIT/LOSS BEFORE TAX</b>	<b>133.0</b>	<b>144.7</b>
	Tax	28.0	27.2
	<b>PROFIT/LOSS AFTER TAX</b>	<b>105.0</b>	<b>117.5</b>

\*) The definition and breakdown of earnings from investment portfolios and the Danish Banking Sector Emergency Fund, which have been segregated, appear from note 2 to the Bank's 2008 Annual Report.

**BALANCE SHEET DISCLOSURES**

**31 December**  
**2010      2009**  
*DKK million*

Total assets	67,436	64,529
Loans and advances	39,952	38,315
– bank loans and advances	38,435	38,315
– reverse transactions	1,517	0
Deposits	36,882	35,998
– bank deposits	30,391	31,931
– repo transactions	813	0
– deposits in pooled schemes	5,678	4,067
Subordinated debt	2,477	2,681
Shareholders' equity	4,374	4,143
Contingent liabilities	5,137	6,235
Risk-weighted assets	43,406	41,692
Core capital (incl. hybrid core capital) after deductions	5,717	5,502
Impairment of loans, advances and guarantees	1,027	1,100
Non-performing loans	105	103
Business volume	81,971	80,548

<b>Risk Factors:</b>	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "<i>Risk Factors</i>" below and include credit risk arising primarily from direct lending activities, market risk arising from adverse developments in market values, interest-rate risk arising from changes in interest rates, credit spread risk, equity risk arising from investment of assets in shares, foreign-exchange risk arising from changes in exchange rates, liquidity risk arising from cash fund availability, operational risk such as inadequate or failed internal processes and other risks such as maintaining minimum capital requirements. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "<i>Risk Factors</i>" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.</p>
<b>Programme Size:</b>	<p>Up to €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.</p>
<b>Distribution:</b>	<p>Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.</p>
<b>Form of Notes:</b>	<p>The Notes (other than VP Systems Notes) will be issued in either bearer or registered form. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i>.</p> <p>The VP Systems Notes of each Tranche will be issued in uncertificated and dematerialised registered form as more fully described in "<i>Form of Notes</i>" below.</p>
<b>Terms of Notes:</b>	<p>Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.</p> <p>Notes may be denominated in any agreed currency and with any agreed maturity, subject to any applicable legal or regulatory restrictions and any requirements of the relevant central bank (or equivalent body).</p> <p>The terms of the Notes will be specified in the applicable Final Terms. The following types of Note may be issued: (a) Notes which bear interest at a fixed rate or a floating rate; (b) Notes which do not bear interest; and (c) Notes which bear interest, and/or the redemption amount of which is, calculated by reference to a specified factor such as movements in an index or a currency exchange rate, changes in share or commodity prices or changes in the credit of an underlying entity. In addition, Notes which have any combination of the foregoing features may also be issued.</p> <p>Interest periods, rates of interest and the terms of and/or amounts payable on redemption may differ depending on the Notes being issued and such terms will be specified in the applicable Final Terms.</p> <p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders.</p> <p>The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Final Terms.</p>

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

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Taxation:** All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the Tax Jurisdiction as provided in Condition 9. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:** The terms of the Senior Notes will contain a negative pledge provision pursuant to which the Issuer agrees not to create any Security Interest (other than a Permitted Security Interest) upon its assets or revenues to secure any Relevant Indebtedness (as defined in Condition 4) or grant or permit to subsist any guarantee, indemnity or other undertaking given in respect of Relevant Indebtedness, in each case unless the Senior Notes are secured equally and rateably by the same security interest or such other security interest as shall be approved by an Extraordinary Resolution of the Noteholders.

**Events of Default:** The terms of the Notes will contain, amongst others, the following events of default:

- (a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;
- (b) non-performance or non-observance by the Issuer of any of its other obligations under the Terms and Conditions continuing for a specified period of time;
- (c) a cross-default in respect of any indebtedness for money borrowed by the Issuer or any Material Subsidiary or any guarantee of any such indebtedness, in each case amounting in the aggregate to at least €10,000,000 (or its equivalent); and
- (d) events relating to the insolvency or winding up of the Issuer.

**Status of the Senior Notes:** The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

**Subordination:** Payments in respect of the Subordinated Notes will be subordinated as described in Condition 3.

**Clearing Systems:** Euroclear and Clearstream, Luxembourg, VP, VP LUX and/or such other clearing system(s) as may be agreed between the parties from time to time.

<b>Use of Proceeds:</b>	The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.
<b>Rating:</b>	The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (the CRA Regulation) will be disclosed in the Final Terms.
<b>Listing and Admission to Trading:</b>	<p>Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The Notes may also be listed on such other or additional stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
<b>Governing Law:</b>	<p>The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law, except for Conditions 3.2, 3.3, 6.6 and 11.2, the registration of Notes in the VP and the dematerialisation of the Notes in the VP LUX, which shall be governed by and shall be construed in accordance with Danish law. In the case of the registration of Notes in the VP LUX, such registration shall be governed by, and shall be construed in accordance with Luxembourg law.</p> <p>VP Systems Notes must comply with the relevant regulations of the VP or the VP LUX, as the case may be, and the holders of VP Systems Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Danish or Luxembourg regulations and legislation.</p>
<b>Selling Restrictions:</b>	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom and the Kingdom of Denmark) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale</i> ".
<b>United States Selling Restrictions:</b>	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*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.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

The Issuer is regulated by the Danish Financial Supervisory Authority (the **DFSA**) which creates a regulatory environment comparable to the regulatory environments of other Western European banks.

In the course of its business activities the Issuer is exposed to a variety of risks. The Issuer considers risk management as one of its core competences and a critical prerequisite for prudent bank management. Risk management includes identifying and measuring risk as well as monitoring and reporting risk. The Supervisory Board of the Issuer defines total risk tolerance and lays down policies and guidelines for the measurement, monitoring and reporting of risks.

The Issuer has continued the task of adapting existing risk management processes, including the relevant framework, guidelines and organisation, to meet the requirements of Basel II.

The Issuer identifies and manages risks within the following risk categories and sub-categories.

#### **Credit risk**

Credit risk is the risk of loss caused by borrowers, bond obligors or counterparties failing to fulfil their obligations to the Group or the risk of such parties' credit quality deteriorating. Credit risk arises primarily from the Issuer's direct lending activities, and to a lesser extent, from trading, investment and hedging activities.

*Notwithstanding the systems that the Issuer has put in place, there can be no assurance that the Issuer will not suffer losses from credit risk in the future that may be material in amount.*

#### **Market risk**

Market risk is defined as the risk of loss arising from adverse development in market values resulting from fluctuations in interest rates, exchange rates and equity and commodity prices.

Market risks arise and are hedged primarily in the Issuer's Markets Division and the Share Investment Division. The Markets Division and the Share Investment Division arise chiefly as a result of market-making and position-taking.

*Notwithstanding the systems the Issuer has put in place, there can be no assurance that the Issuer will not suffer losses from market risk in the future that may be material in amount.*

#### **Interest-rate risk**

Interest-rate risk is defined as the risk of loss arising from changes in interest rates. Interest-rate risk arises both in interest-bearing claims (primarily bonds) as well as in derivatives. The Issuer manages interest-rate exposure according to two principles (gross risk and net risk), each with a separate maximum. The Issuer calculates the net interest risk by converting all positions in different currencies into DKK and setting off negative positions against positive ones.

*There can be no assurance that the Bank will not suffer losses from interest-rate risk in the future that may be material in amount.*

**Credit Spread risk**

Credit Spread risk is the risk of losses because the fair value of the Issuer's assets and liabilities varies with changes in credit spreads.

There can be no assurance that the Bank will not suffer losses from credit spread risk in the future that may be material in amount.

**Equity risk**

The Bank invests in some of its assets in shares, which are generally subject to greater risks and volatility than bonds.

*There can be no assurance that the Bank will not suffer losses from equity risks in the future that may be material in amount.*

**Foreign-exchange risk**

Exchange rate changes could negatively impact the Issuer. However, the Issuer does not assume major risks in the foreign-exchange market for its own account, but the Issuer's trading volume on the foreign-exchange market continues to rise, which entails a higher overall foreign-exchange risk exposure.

*There can be no assurance that the Bank will not suffer losses from foreign-exchange risks in the future that may be material in amount.*

**Liquidity risk**

Liquidity risk is the risk that the Issuer does not have sufficient funds available at all times to meet its contractual and contingent cash flow obligations. The Issuer seeks to manage its liquidity risk by holding a stock of highly liquid assets which can be readily realised for cash and by focusing on the liquidity profile of its assets and liabilities. However, the Issuer's liquidity may be adversely affected by a number of factors, including significant unforeseen changes in interest rates, ratings downgrades, higher than anticipated losses on investments and disruptions in the financial markets generally. Since the second half of 2007 and continuing in 2010, the global dislocation of financial markets has adversely impacted the availability and has increased the cost of wholesale market funding and has caused a large number of banks to write down the value of their securities portfolios. As at 31 December 2010, 91 per cent. of the Issuer's bond portfolio had a rating of AA or better.

An inability on the Issuer's part to access funds or to access the markets from which it raises funds may put the Issuer's positions in liquid assets at risk and lead it to its inability to finance operations adequately. A dislocated credit environment compounds the risk that the Issuer will not be able to access funds at favourable rates. These and other factors could also lead creditors to form a negative view of the Issuer's liquidity, which could result in less favourable credit ratings, higher borrowing costs and less accessible funds. In addition, because the Issuer receives a significant portion of its funding from deposits, the Issuer is subject to the risk that depositors could withdraw their funds at a rate faster than the rate at which borrowers repay their loans, thus causing liquidity strain.

The Issuer seeks to manage its liquidity risk at three levels. The first level is its long term internal liquidity target i.e. its cash deposits, senior funding longer than one year, subordinated loan capital longer than one year and shareholders' equity should exceed loans and advances to customers to ensure that customer lending is financed by long-term debt.

At the second level, the Issuer seeks to maintain liquidity by holding highly liquid assets such as exchange-listed securities, freely accessible deposits held with credit institutions mostly with high ratings, certificates of deposits or cash balances in compliance with section 152 of the Financial Business Act. The Issuer also seeks to maintain an appropriate liquidity reserve by holding highly liquid assets.

Finally, at the third level, the Issuer has for many years employed a fixed model to manage the Issuer's short-term liquidity based on a model developed by the DFSA. It simulates the Issuer's liquidity profile in a scenario where all of its money market funding has to be repaid at maturity and cannot be renewed and informs the Supervisory Board's liquidity management strategy.

The Issuer seeks to manage liquidity risk by implementing measures at the three levels set out above. However, to the extent that current market difficulties persist, there can be no assurance

that the Issuer's financial condition and performance will not be adversely impacted by the current, and any future, dislocations in the financial markets.

### **Operational risk**

Operational risk stems from a variety of sources, such as inadequate or failed internal processes, human errors and system failure, or from external events. It also includes legal, strategic and reputation risk.

The monitoring of operational risk by the Issuer has been stepped up in recent years, and in 2007 an independent compliance organisation was established. The compliance organisation monitors the Issuer's compliance with financial legislation, sector standards and own guidelines in all areas.

*There can be no assurance that the Bank will not suffer losses from operational risk in the future that may be material in amount. Notwithstanding anything in these risk factors, this risk factor should not be taken as implying that either the Issuer or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List.*

### **Risks related to Denmark**

The Danish economy is in a sharp downturn, due to the international financial crisis and the declining housing market. Lower growth and rising unemployment rates are to be expected over the next couple of years. If the Danish economy deteriorates further, there is a risk of adverse effects on credit quality, asset values and defaults on non-performing debts, which may have a negative impact on the rating and performance or value of investments of the Issuer.

### **Danish guarantee scheme**

The general guarantee scheme ended on 30 September 2010 and also unsubordinated creditors may lose their money as a depositor and/or creditor in a failing bank. This might affect the funding situation in the future and accordingly there can be no assurance that the Issuer will not suffer losses related to this in the future that may be material in amount.

### **Impact of regulatory changes**

The Issuer is subject to financial services laws, regulations, administrative actions and policies in Denmark. Changes in supervision and regulation could materially affect the Issuer's business, the products and services offered or the value of its assets. Although the Issuer monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer.

### **Other risks**

The Issuer is subject to minimum capital requirements that could potentially limit its operation.

The Issuer is operating in a consolidated market where competition is keen and new entrants may erode the business scope. This continued pressure may have an adverse impact on the Issuer's financial position and the results of its operations.

The Issuer's activities are subject to extensive regulation and regulatory supervision. Regulatory changes could affect the way that the Issuer conducts its business and thus its financial position and the results of its operation.

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### ***The Notes may not be a suitable investment for all investors***

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where

the currency for principal or interest payments is different from the potential investor's currency;

- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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

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

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

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

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

#### ***Index Linked Notes and Dual Currency Notes***

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

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

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

### **Partly-paid Notes**

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### **Variable rate Notes with a multiplier or other leverage factor**

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

### **Inverse Floating Rate Notes**

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

### **Fixed/Floating Rate Notes**

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

### **Structured Notes**

The Issuer may issue structured Notes under the Programme. Investment in structured Notes whose premium and/or the interest on, or principal of which is determined by reference to one or more exchange rates, commodity prices, interest rates or other indices or formulae, either directly or indirectly or inversely, may entail significant risk not associated with similar investments in a conventional debt instrument, including the risk that the resulting interest rate will be less than that payable on a conventional debt instrument at the same time and/or that an investor could lose all or a substantial portion of the principal of his Notes.

### **Notes issued at a substantial discount or premium**

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

### **The Issuer's obligations under Subordinated Notes are subordinated**

The Issuer's obligations under Subordinated Notes (*Kapitalbeviser*) constitute direct, unconditional, unsecured and subordinated obligations ranking *pari passu*, without any preference among themselves. The Subordinated Notes will rank *pari passu* with all other present and future subordinated loan capital (as defined in section 136 of Consolidated Act No. 1125 of 23 September 2010 as amended on Financial Business of the Kingdom of Denmark (the **Financial Business Act**)) and, in the event of a distribution of assets in the liquidation or bankruptcy of the Issuer, will rank senior to the share capital of the Issuer and any debt instruments issued by the Issuer qualifying for treatment pursuant to section 132 of the Financial Business Act or any executive orders issued under the Financial Business Act replacing the existing provision of section 132. The principal amount of each of the Subordinated Notes and any Arrears of Interest (as defined in Condition 6.6) may be utilised to cover losses of the Issuer irrespective of whether the Issuer is allowed to continue its activities pursuant to section 136 of the Financial Business Act or any

executive orders issued under the Financial Business Act replacing the existing provision of section 136. In certain circumstances (as further addressed in the Conditions), the Issuer may resolve to reduce and cancel part or all of the outstanding principal amount of each of the Subordinated Notes and any Arrears of Interest on a *pro rata* basis with all the Issuer's outstanding Subordinated Notes, and it may elect to defer payment of interest on its Subordinated Notes.

#### ***Reduction of amounts of principal and unpaid interest in respect of Subordinated Notes***

The Issuer may resolve to reduce and cancel, *pro rata*, part or all of the outstanding principal amount of an issue of Subordinated Notes and any Arrears of Interest thereon (together with all corresponding Additional Interest Amounts) (each term as defined in the Conditions), upon the occurrence of the following circumstances:

- (i) the equity capital (share capital and reserves) of the Issuer has been lost (reduced to zero);
- (ii) a general meeting of the shareholders of the Issuer has effectively resolved in accordance with Danish law and the Issuer's Articles of Association to reduce to zero the nominal value of each of the outstanding shares constituting the share capital of the Issuer; and
- (iii) following the occurrence of (i) and the resolution referred to in (ii) above and as a further condition for such reduction and cancellation either (a) sufficient share and/or other capital of the Issuer is subscribed and contributed so as to enable the Issuer, in each case to comply with the capital adequacy requirements of the Financial Business Act or (b) the Issuer ceases business without loss to non-subordinated creditors.

The amount of any such reduction and cancellation shall be subject to the prior approval of the Issuer's elected external auditors and of the DFSA and shall first be effected in respect of any Arrears of Interest (together with all corresponding Additional Interest Amounts) relating to the Subordinated Notes and only when there are no such outstanding Arrears of Interest (together with all corresponding Additional Interest Amounts) will the outstanding principal amount of the Subordinated Notes be reduced and cancelled.

The reduction and cancellation will take effect on the date specified in the relevant resolution approving any such reduction and cancellation of the outstanding principal amount of the Subordinated Notes and any Arrears of Interest thereon (and all corresponding Additional Interest Amounts) and Noteholders will thereafter cease to have any claim in respect of any amounts so reduced and cancelled.

The Issuer will give notice of any such reduction and cancellation immediately following the passing of such resolution to the Noteholders in accordance with Condition 16. To the extent that part only of the outstanding principal amount of the Subordinated Notes or Arrears of Interest thereon (and all corresponding Additional Interest Amounts) has been so reduced and cancelled, interest will continue to accrue in accordance with the terms thereof on the then outstanding principal amount of the Subordinated Notes and Arrears of Interest (including any Additional Interest Amounts), if any.

#### ***Interest deferral in respect of Subordinated Notes***

On any Interest Payment Date where (i) the Issuer does not satisfy the capital adequacy requirements of the Financial Business Act and (ii) the Issuer has resolved not to pay interest and defer such payment pursuant to section 136(1)(6) of the Financial Business Act or any executive orders issued under the Financial Business Act replacing the existing provision of section 136, the Issuer can elect not to pay interest on the Subordinated Notes. Any Interest not paid on an Interest Payment Date, together with any other interest in respect of such Subordinated Notes not paid on any other Interest Payment Date, will constitute **Arrears of Interest**. Arrears of Interest will become due and payable in full on the earliest of: (a) the date on which the Issuer next satisfies the capital adequacy requirements of the Financial Business Act; (b) the date upon which the then outstanding principal amount of the Subordinated Notes becomes due and payable; and (c) the bankruptcy or liquidation of the Issuer.

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

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

#### ***Modification, waivers and substitution***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all

Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

### ***Change of law***

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

### ***Bearer Notes where denominations involve integral multiples: definitive Bearer Notes***

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

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

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

Set out below is a brief description of the principal market risks, including liquidity risk, exchange-rate risk, interest-rate risk and credit risk:

#### ***The secondary market generally***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. 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 investor. These types of Note generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### ***Risks relating to disruptions in the global credit markets and economy***

Since the second half of 2007, disruption in the global credit markets, coupled with the re-pricing of credit risk, has created increasingly difficult conditions in the financial markets. Financial markets are subject to periods of historic volatility which may impact the Issuer's ability to raise debt in a similar

manner, and at a similar cost, to the funding raised in the past. Challenging market conditions have resulted in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the financial performance of the Issuer. In addition, the financial performance of the Issuer could be adversely affected by a worsening of general economic conditions in the markets in which it operates.

#### ***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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

#### ***Interest-rate risks***

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

#### ***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to 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 or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (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). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) 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.

## OVERVIEW OF THE PROGRAMME

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

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

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

<b>Description:</b>	Euro Medium Term Note Programme
<b>Arranger:</b>	Barclays Bank PLC
<b>Dealers:</b>	Barclays Bank PLC Danske Bank A/S Deutsche Bank AG, London Branch J.P. Morgan Securities Ltd. The Royal Bank of Scotland plc and any other Dealers appointed in accordance with the Programme Agreement.
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”), including the following restrictions applicable at the date of this Offering Circular.
<b>Issuing and Principal Paying Agent:</b>	The Bank of New York Mellon, London Branch (for Notes other than VP Systems Notes).
<b>VP Systems Agent:</b>	Spar Nord Bank A/S.
<b>Registrar:</b>	The Bank of New York Mellon (Luxembourg) S.A. (for Notes other than VP Systems Notes).
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Notes may be denominated, subject to any applicable legal or regulatory restrictions, in any currency agreed between the Issuer and the relevant Dealer.
<b>Redenomination:</b>	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5.
<b>Maturities:</b>	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Issue Price:</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes:</b>	The Notes (other than VP Systems Notes) will be issued in either bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .

The VP Systems Notes of each Tranche will be issued in uncertificated and dematerialised registered form as more fully described in “*Form of Notes*” below.

**Fixed Rate Notes:**

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

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

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

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

**Index Linked Notes:**

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

**Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:**

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

**Dual Currency Notes:**

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

**Zero Coupon Notes:**

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

**Redemption:**

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

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

**Denomination of Notes:**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the

minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Taxation:**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 9. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this offering circular and have been filed with the Financial Services Authority shall be incorporated in, and to form part of, this offering circular:

- (a) the annual reports of the Issuer for the two financial years ended 31 December 2009 and 2010 (excluding pages 1 to 44 of the annual report for the financial year ended 2009 and pages 1 to 48 of the annual report for the financial year ended 2010), including audited consolidated annual financial statements, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) and statements of the supervisory and executive boards and auditors' reports dated 10 February 2010 and 9 February 2011; and
- (b) the terms and conditions contained in pages 48 to 75 of the offering circular relating to the Programme dated 28 February 2008; and
- (c) the terms and conditions contained in pages 49 to 76 of the offering circular relating to the Programme dated 11 March 2009 as supplemented by the supplement dated 30 June 2009; and
- (d) the terms and conditions contained in pages 60 to 87 of the offering circular relating to the Programme dated 24 March 2010 as supplemented by the supplement dated 3 December 2010 and the supplement dated 10 February 2011.

Following the publication of this Offering Circular, a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any information which is incorporated by reference in documents which are deemed to be incorporated in, and to form part of, this Offering Circular, shall not form part of this Offering Circular for the purposes of the Prospectus Directive.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London.

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

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, registered form, without interest coupons attached or in the form of VP Systems Notes, in each case as specified in the relevant Final Terms.

Any reference in this section "Form of the Notes" to Euroclear, Clearstream, Luxembourg, the VP and/or the VP LUX shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent.

### **Bearer Notes**

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note**) which, in either case, will:

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

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

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

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

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event or (iii) at any time at the request of the Issuer. For these purposes, **Exchange Event** means that (a) an Event of Default (as defined in Condition 11) has occurred and is continuing or (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is

available. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

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

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

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

### **Registered Notes**

Each Tranche of Registered Notes will initially be represented by a global note in registered form (a **Registered Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

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

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments or deliveries made on account of beneficial-ownership interests in, the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial-ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar

requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

### **VP Systems Notes**

Each Tranche of VP Systems Notes will be issued in uncertificated and dematerialised book entry form. Legal title to the VP Systems Notes will be evidenced by book entries in the records of the VP and/or VP LUX, as the case may be. On the issue of such VP Systems Notes, the Issuer will send a copy of the relevant Final Terms to the Fiscal Agent, with a copy sent to the VP Systems Agent. On delivery of the relevant Final Terms by the VP Systems Agent to the VP and/or VP LUX, as the case may be, and notification to the VP and/or VP LUX, as the case may be, of the subscribers and their VP and/or VP LUX, as the case may be, account details by the relevant Dealer(s), the VP Systems Agent, acting on behalf of the Issuer, will give instructions to the VP and/or VP LUX, as the case may be, to credit each subscribing account holder with the VP and/or VP LUX, as the case may be, with a nominal amount of VP Systems Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VP Systems Notes in the VP and/or VP LUX, as the case may be, will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VP Systems Notes will take place in accordance with the rules and procedures for the time being of the VP and/or VP LUX, as the case may be.

The Terms and Conditions applicable to any VP Systems Notes will consist of the Terms and Conditions set out under **Terms and Conditions of the Notes** below and the provisions of the relevant Final Terms which complete, amend and/or replace those Terms and Conditions.

### **Transfer of Interests**

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “Subscription and Sale”.**

### **General**

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

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

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 31 March 2011 and executed by the Issuer.

## APPLICABLE FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than €100,000 (or its equivalent in another currency).*

[Date]

### SPAR NORD BANK A/S

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €3,000,000,000  
Euro Medium Term Note Programme

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 35 of Part A below, provided such person is one of the persons mentioned in Paragraph 35 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.]

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.]

## 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 Offering Circular dated 31 March 2011 which constitutes a base prospectus for the purposes of the Prospectus Directive (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering

Circular. The Offering Circular is available for viewing at [website] and during normal business hours at [address] and copies may be obtained from the registered office of the Issuer and the specified offices of the Paying Agent for the time being in London.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date] which are incorporated by reference in the Offering Circular dated [current date] and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Offering Circular dated [current date], which constitutes a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular dated [current date]. Copies of such Offering Circular are available for viewing at [website] and during normal business hours at [address] and copies may be obtained from [address].

*[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 directions for completing the Final Terms.]*

*[When adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]*

1. (a) Issuer: Spar Nord Bank A/S
2. (a) Series Number: [ ]  
 (b) Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
 (a) Series: [ ]  
 (b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount  
 [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: [ ]  
*(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)* *(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €1,000 minimum denomination is not required.)*  
*(N.B. if a Global Note is exchangeable for Definitive Notes at any time, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination)).*  
 (b) Calculation Amount: [ ]  
*(If only one Specified Denomination, insert the Specified Denomination.*  
*If more than one Specified Denomination, insert the highest common factor. N.B. There must be a*

*common factor in the case of two or more Specified Denominations.)*

7. (a) Issue Date: [     ]  
 (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Fixed rate – specify date/  
 Floating rate – Interest Payment Date falling in or nearest to [specify month]]
9. Interest Basis: [[     ] per cent. Fixed Rate]  
 [[LIBOR/EURIBOR] +/- [     ] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Dual Currency Interest]  
 [specify other]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency Redemption]  
 [Partly Paid]  
 [Instalment]  
 [specify other]  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
13. (a) Status of the Notes: [Senior/Subordinated]  
 (b) Date [Board] approval for issuance of Notes obtained: [     ]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
14. Method of distribution: [Syndicated/Non-syndicated]

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

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Rate(s) of Interest: [     ] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]  
*(If payable other than annually, consider amending Condition 6)*
- (b) Interest Payment Date(s): [[     ] in each year up to and including the Maturity Date]/[specify other]

*(N.B. This will need to be amended in the case of long or short coupons)*

- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes in definitive form)*
- (d) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]  
*(Applicable to Notes in definitive form)*
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) Determination Date(s): [ ] in each year  
*(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*  
*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.*  
*N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [ ]
- (f) Screen Rate Determination:
- Reference Rate: [ ]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement)*
  - Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

- (g) ISDA Determination:
- Floating Rate Option: [    ]
  - Designated Maturity: [    ]
  - Reset Date: [    ]
- (h) Margin(s): [ +/- ] [    ] per cent. per annum
- (i) Minimum Rate of Interest: [    ] per cent. per annum
- (j) Maximum Rate of Interest: [    ] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360 (ISDA)  
Other]  
(See Condition 6 for alternatives)
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [    ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Accrual Yield: [    ] per cent. per annum
- (b) Reference Price: [    ]
- (c) Any other formula/basis of determining amount payable: [    ]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 8.5(c) and 8.10 apply/specify other]  
(Consider applicable day count fraction if not U.S. dollar denominated)
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)  
  
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent): [    ]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible [need to include a description of market disruption or settlement disruption events and adjustment provisions]

or impracticable:

- (e) Specified Period(s)/Specified Interest Payment Dates: [     ]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (g) Additional Business Centre(s): [     ]
- (h) Minimum Rate of Interest: [     ] per cent. per annum
- (i) Maximum Rate of Interest: [     ] per cent. per annum
- (j) Day Count Fraction: [     ]
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent): [     ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [     ]

#### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [     ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[     ] per Calculation Amount/*specify other*/see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [     ]
- (ii) Maximum Redemption Amount: [     ]
- (d) Notice period (if other than as set out in the Conditions): [     ]  
  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other*

*notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*

21. Investor Put:

[Applicable/Not Applicable]

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

(a) Optional Redemption Date(s):

[ ]

(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):

[[ ] per Calculation Amount/specify other/ see Appendix]

(c) Notice period (if other than as set out in the Conditions):

[ ]

*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*

22. Final Redemption Amount:

[[ ] per Calculation Amount/specify other/ see Appendix]

*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or method of calculating the same (if required or if different from that set out in Condition 8.5):

[[ ] per Calculation Amount/specify other/ see Appendix]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes:

(a) Form:

[Bearer Notes:

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

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

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

[Registered Notes:

[Registered Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg]

[Definitive Registered Notes (specify nominal amounts)]]

[Uncertificated and dematerialised registered form

- of VP Systems Notes]
- (b) New Global Note: [Yes] [No]
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(This paragraph is not applicable to VP Systems Notes. N.B. this paragraph relates to the place of payment and not Interest Period end dates, to which paragraphs 16(c) and 18(g) relate)*
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
28. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
29. Redenomination applicable: Redenomination [not] applicable  
*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*
30. Other final terms: [Not Applicable/give details]
- (When adding any other final terms, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

31. (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (b) Date of [Subscription] Agreement: [ ]
- (c) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]
32. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
33. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount
34. U.S. selling restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

35. Non-exempt Offer:

[Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)] (**Public Offer Jurisdictions**) during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [] Business Days thereafter"] (**Offer Period**). See further Paragraph 10 of Part B below].

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made in jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

36. Additional selling restrictions:

[Not Applicable/give details]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and [public offer in the Public Offer Jurisdictions] [and] [admission to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority of the Notes described herein] pursuant to the €3,000,000,000 Euro Medium Term Note Programme of Spar Nord Bank A/S.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components], has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Spar Nord Bank A/S:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [London Stock Exchange's regulated market] [and listing on the Official List of the UK Listing Authority] 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 London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority with effect from [ ].] [Not Applicable]

*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

### 2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S&P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[[Other]: [ ]]

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

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

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert credit rating agency].]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU-registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU-registered credit rating agency] is established in the

European Union and registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.] *[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 Offering Circular under Article 16 of the Prospectus Directive.)*

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: [ ]]

*(See “Use of Proceeds” wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.)*

[(ii) Estimated net proceeds: [ ]]

*(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding.)*

[(iii) Estimated total expenses: [ ]].

*[Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.]*

*(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, [(i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required)*

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

Indication of yield: [ ]]

*[Calculated as [include details of method of calculation in summary form] on the Issue Date.]*

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 6. HISTORIC INTEREST RATES (Floating Rate Notes only)

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].

### 7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index-Linked Notes only)

*[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and*

*comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*[Need to include details of where past and future performance and volatility of the index/ formula can be obtained.]*

*[Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained.]*

*[Include other information concerning the underlying, as required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

## **8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Notes only)**

*[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

## **9. OPERATIONAL INFORMATION**

- |         |  |  |
|---------|--|--|
| (i)     | ISIN Code:   | [     ]  |
| (ii)    | Common Code:   | [     ]  |
| (iii)   | Any clearing system(s) other than VP, VP LUX, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)]  |
| (iv)    | Delivery:  | Delivery [against/free of] payment   |
| (v)     | Names and addresses of additional Paying Agent(s) (if any):  | [     ]  |
| (vi)    | Issuing Agent:   | [Give name - only applicable in the case of VP Systems Notes] [Not Applicable]   |
| [(vii)] | Intended to be held in a manner which would allow Eurosystem eligibility:  | [Yes] [No]<br><br>[Note that the designation “yes” simply means that the Notes are intended to be issued with VP LUX [include this text if “yes” selected, in which case Notes are issued as VP Systems Notes] / upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee |

of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] *[including this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[include this text if “yes” selected, in which case Bearer Notes must be issued in NGN form]*

## 10. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price/Not applicable/specify]
[Conditions to which the offer is subject:]	[Not applicable/give details]
[Description of the application process:]	[Not applicable/give details]
[Details of the minimum and/or maximum amount of application:]	[Not applicable/give details]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not applicable/give details]
[Details of the method and time limits for paying up and delivering the Notes:]	[Not applicable/give details]
[Manner in and date on which results of the offer are to be made public:]	[Not applicable/give details]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not applicable/give details]
[Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:]	[Not applicable/give details]
[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]	[Not applicable/give details]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not applicable/give details]
[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:]	[None/give details]

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency).

[Date]

## SPAR NORD BANK A/S

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €3,000,000,000

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 (the **Conditions**) set forth in the Offering Circular dated 31 March 2011 which constitutes a base prospectus for the purposes Directive 2003/71/EC (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a Member State. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at [website] and during normal business hours at [address] and copies may be obtained from the registered office of the Issuer and the specified offices of the Paying Agents for the time being in London.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [date of original Offering Circular] which are incorporated by reference in the Offering Circular dated [current date] and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**) and must be read in conjunction with the Offering Circular dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [current date] and [date of original Offering Circular]. Copies of such Offering Circulars are available for viewing at [website] and during normal business hours at [address] and copies may be obtained from [address].

*[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 directions for completing the Final Terms.]*

*[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]*

1. Issuer: Spar Nord Bank A/S
2. (a) Series Number: [ ]  
(b) Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
(a) Series: [ ]  
(b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]

6. (a) Specified Denominations: [    ]  
*(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)* *(N.B. Where multiple denominations above €50,000 or equivalent are being used, the following sample wording should be followed:*  
*“[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”<sup>1</sup>*  
*(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €100,000 minimum denomination is not required.)*
- (b) Calculation Amount: [    ]  
*(If only one Specified Denomination, insert the Specified Denomination.*  
*If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [    ]  
 (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Fixed rate - specify date/Floating rate - Interest Payment Date falling in or nearest to [specify month]]
9. Interest Basis: [[    ] per cent. Fixed Rate]  
 [[LIBOR/EURIBOR] +/- [    ] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Dual Currency Interest]  
 [specify other]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency Redemption]  
 [Partly Paid]  
 [Instalment]  
 [specify other]  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

<sup>1</sup> Delete if Notes being issued are in registered form or are VP Registered Notes.

11. Change of Interest Basis or Redemption/ Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. (a) Status of the Notes: [Senior/Subordinated]  
(b) Date [Board] approval for issuance of Notes obtained: [ ]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)
14. Method of distribution: [Syndicated/Non-syndicated]

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

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]  
(If payable other than annually, consider amending Condition 6)
- (b) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[specify other]  
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
(Applicable to Notes in definitive form)
- (d) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]  
(Applicable to Notes in definitive form)
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) Determination Date(s): [ ] in each year  
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.  
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.  
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

16. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*[specify other]*]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [ ]
- (f) Screen Rate Determination:
- Reference Rate: [ ]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement)*
  - Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (g) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (h) Margin(s): [ +/ - ] [ ] per cent. per annum
- (i) Minimum Rate of Interest: [ ] per cent. per annum
- (j) Maximum Rate of Interest: [ ] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360 (ISDA)  
Other]  
*(See Condition 6 for alternatives)*

- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount payable: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 8.5(c) and 8.10 apply/specify other]  
(Consider applicable day count fraction if not U.S. dollar denominated)
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)  
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent): [ ]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (g) Additional Business Centre(s): [ ]
- (h) Minimum Rate of Interest: [ ] per cent. per annum
- (i) Maximum Rate of Interest: [ ] per cent. per annum
- (j) Day Count Fraction: [ ]

19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent): [ ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [ ]

#### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/ see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ]
- (ii) Maximum Redemption Amount: [ ]
- (d) Notice period (if other than as set out in the Conditions): [ ]
- (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*
21. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/ see Appendix]
- (c) Notice period (if other than as set out in the Conditions): [ ]

*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*

22. Final Redemption Amount: ☐ per Calculation Amount/specify other/ see Appendix]  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or method of calculating the same (if required or if different from that set out in Condition 8.5): ☐ per Calculation Amount/specify other/ see Appendix]

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

24. Form of Notes:

(a) Form:

[Bearer Notes:

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

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

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

[Registered Notes:

[Registered Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]

[Definitive Registered Notes (specify nominal amounts)]

[Uncertificated and dematerialised registered form of VP Systems Notes.]

*(N.B. The exchange upon notice/at any time options should not be expressed to be applicable in respect of Bearer Notes if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Bearer Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Notes.)*

- (b) New Global Note: [Yes] [No]
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(This item is not applicable to VP Systems Notes. N.B. This paragraph relates to the place of payment and not Interest Period end dates to which subparagraphs 16(c) and 18(g) relate)*
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
28. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
29. Redenomination applicable: Redenomination [not] applicable  
*[(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))]*
30. Other final terms: [Not Applicable/give details]  
  
*[(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]*

## DISTRIBUTION

31. (a) If syndicated, names of Managers: [Not Applicable/give names]  
*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
- (b) Date of [Subscription] Agreement: [ ]  
*(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).*
- (c) Stabilising Manager(s) (if any): [Not Applicable/give name]
32. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
33. U.S. selling restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not Applicable/give details]

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority of the Notes described herein pursuant to the €3,000,000,000 Euro Medium Term Note Programme of Spar Nord Bank A/S.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components], has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Spar Nord Bank A/S:

By: .....

*Duly authorised*

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority 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 London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority with effect from [ ].] [Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S&P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[[Other]: [ ]]

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

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert credit rating agency].]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU-registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant

EU-registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.] *[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 Offering Circular under Article 16 of the Prospectus Directive.)*

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: [ ]

(ii) Estimated net proceeds: [ ]

(iii) Estimated total expenses: [ ]

*(N.B. Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

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

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 6. PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING *(Index Linked Notes only)*

*[Need to include details of where past and future performance and volatility of the index/ formula can be obtained.]*

*[Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained.]*

*[Include other information concerning the underlying, as required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

*(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

### 7. PERFORMANCE OF RATE[S] OF EXCHANGE *(Dual Currency Notes only)*

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a*

supplement to the Offering Circular under Article 16 of the Prospectus Directive.)

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

## 8. OPERATIONAL INFORMATION

- (i) ISIN Code: [     ]
- (ii) Common Code: [     ]
- (iii) Any clearing system(s) other than VP, VP LUX, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [     ]
- (vi) Issuing Agent: [Give name - only applicable in the case of VP Systems Notes] [Not Applicable]
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation “yes” simply means that the Notes are intended to be issued with VP LUX *[include this text if “yes” selected, in which case Notes are issued as VP Systems Notes]* / upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] *[including this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[include this text if “yes” selected, in which case Bearer Notes must be issued in NGN form]*

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The following Terms and Conditions will, whenever the context so permits, also apply to each VP Systems Note. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note and shall apply as aforesaid to VP Systems Notes. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Spar Nord Bank A/S (the **Issuer**) pursuant to the Agency Agreement (as defined below). References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form;
- (d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form); and
- (e) Notes cleared through the Danish and/or Luxembourg, as the case may be, central securities depository (together the **VP Systems Notes** and individually the **VP** and the **VP LUX**, respectively).

The Notes (other than VP Systems Notes), the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 31 March 2011 and made between the Issuer, The Bank of New York Mellon, London Branch as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Principal Paying Agent, the **(Paying Agents)**, which expression shall include any additional or successor paying agents appointed in accordance with the Agency Agreement) and Spar Nord Bank A/S in its capacity as issuing agent for VP Systems Notes (the **Issuing Agent**), The Bank of New York Mellon (Luxembourg) S.A. as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

In the case of VP Systems Notes, the Notes will have the benefit of (A) arrangement agreed from time to time between the Issuer, Spar Nord Bank A/S as agent (the **VP Systems Agent**, which expression includes any successor agent appointed from time to time in connection with the VP Systems Notes) of the Issuer in respect of all VP Systems Notes and either VP or VP Lux, as the case may be, and (B) the Agency Agreement to the extent specified therein.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue. VP Systems Notes are in uncertified and dematerialised book entry form.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms, attached to or endorsed on or, in the case of VP Systems Notes incorporated into this Note

which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) which is, in the case other than VP Systems Notes, attached to or endorsed on or, in the case of VP Systems Notes incorporated into this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. VP Systems Notes are in uncertificated and dematerialised registered form and any reference in the Conditions to Receipts, Coupons and Talons shall not apply to VP Systems Notes.

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

The Noteholders, the Receiptholders and the Couponholders (other than in respect of VP Systems Notes) are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 31 March 2011 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

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

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

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

The Notes are in bearer form, in registered form or, in the case of VP Systems Notes, in uncertificated and dematerialised registered form, as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

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

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

This Note may also be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

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

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

The holder of a VP Systems Note will be the person evidenced as such by a book entry in the book entry system and register maintained by VP and/or VP LUX, as the case may be. Ownership of the VP Systems Notes will be transferred by registration in the register between the direct or nominee accountholders at VP and/or VP LUX, as the case may be, in accordance with the rules and procedures of the VP and the VP LUX from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VP Systems Note.

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

For so long as any Note is a VP Systems Note, each person who is for the time being shown in the book entry system and register maintained by VP and/or VP LUX, as the case may be, as the holder of a Note shall be treated by the Issuer, the Agent and any other Issuing or Paying Agent as the holder of such Notes for all purposes; and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. VP Systems Notes will be transferable only in accordance with the procedures applicable to and/or issued by VP and/or VP LUX, as the case may be, from time to time. VP Systems Notes will not be exchangeable for Bearer Notes or Registered Notes. VP Systems Notes will be issued in uncertificated and dematerialised registered form and no global or definitive Notes will be issued in respect thereof and the Conditions shall be construed accordingly.

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

## **2. TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

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

### **2.2 Transfers of Registered Notes in definitive form**

Subject as provided in paragraphs 2.5 and 2.6 below, upon the terms and subject to the conditions set out in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver, or procure the delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

### *2.3 Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### *2.4 Costs of registration*

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

### *2.5 Transfers of interests in Registered Global Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Registered Global Note to a transferee in the United States or who is a U.S. person will only be made pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States.

### *2.6 Exchanges and transfers of Registered Notes generally*

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

### *2.7 Definitions*

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

**Distribution Compliance Period** means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

**Regulation S** means Regulation S under the Securities Act; and

**Securities Act** means the United States Securities Act of 1933, as amended.

## **3. STATUS OF THE SENIOR NOTES AND SUBORDINATION**

### *3.1 Status of the Senior Notes*

This Condition 3.1 applies only to Senior Notes.

The Senior Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issue, from time to time outstanding.

### 3.2 *Status of the Subordinated Notes*

This Condition 3.2 applies only to Subordinated Notes.

The Subordinated Notes (*Kapitalbeviser*) and any relative Receipts and/or Coupons constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves. The Subordinated Notes and the Receipts and Coupons relating to them constitute subordinated loan capital (*Ansvarlig Lånekapital*) within the meaning of Section 136 of the Consolidated Act No. 1125 of 23 September 2010 as amended on Financial Business of the Kingdom of Denmark (the **Financial Business Act**). In addition, the Subordinated Notes and the Receipts and Coupons relating to them will rank *pari passu* with all other present and future subordinated loan capital (as defined in section 136 of the Financial Business Act or any executive orders issued under the Financial Business Act replacing the existing provision of section 136) of the Issuer and, in the event of a distribution of assets in the liquidation or bankruptcy of the Issuer, rank senior to the share capital of the Issuer and to any debt instruments issued by the Issuer and qualifying for treatment pursuant to Section 132 of the Financial Business Act or any executive orders issued under the Financial Business Act replacing the existing provision of section 132.

### 3.3 *Reduction of amounts of Principal and Unpaid Interest*

This Condition 3.3 applies only to Subordinated Notes.

The Issuer, by a resolution passed at a general meeting of its shareholders duly convened in accordance with Danish law and the issuer's Articles of Association, may resolve to reduce and cancel, *pro rata*, part or all of the outstanding principal amount of each of the Subordinated Notes and any Arrears of Interest (as defined in Condition 6.6(a) below) thereon (together with all corresponding Additional Interest Amounts (as defined in Condition 6.6(a) below)), upon the occurrence of the following circumstances:

- (a) the equity capital (share capital and reserves) of the Issuer has been lost (reduced to zero); and
- (b) a general meeting of the shareholders of the Issuer has effectively resolved in accordance with Danish law and the Issuer's Articles of Association to reduce to zero the nominal value of each of the outstanding shares constituting the share capital of the Issuer; and
- (c) following the occurrence of (a) and the resolution referred to in (b) above and as a further condition for such reduction and cancellation either: (i) sufficient share and/or other capital of the Issuer is subscribed and contributed so as to enable the Issuer in each case to comply with the capital adequacy requirements of the Financial Business Act; or (ii) the Issuer ceases business without loss to non-subordinated creditors.

The amount of any such reduction and cancellation shall be subject to the prior approval of the Issuer's elected external auditors and of the Danish Financial Supervisory Authority (the **DFSA**) and shall first be effected in respect of any Arrears of Interest (together with all corresponding Additional Interest Amounts) relating to the Subordinated Notes and only when there are no such outstanding Arrears of Interest (together with all corresponding Additional Interest Amounts) will the outstanding principal amount of the Subordinated Notes be reduced and cancelled.

The reduction and cancellation will take effect on the date specified in the relevant resolution approving any such reduction and cancellation of the outstanding principal amount of the Subordinated Notes and any Arrears of Interest thereon (and all corresponding Additional Interest Amounts) and Noteholders will thereafter cease to have any claim in respect of any amounts so reduced and cancelled.

The Issuer will give notice of any such reduction and cancellation immediately following the passing of such resolution to the Noteholders in accordance with Condition 15. To the extent that part only of the outstanding principal amount of the Subordinated Notes or Arrears of Interest thereon (and all corresponding Additional Interest Amounts) have been so reduced and cancelled, interest will continue to accrue in accordance with the terms hereof on the then outstanding

principal amount of the Subordinated Notes and Arrears of Interest (including any Additional Interest Amounts), if any.

#### 4. THE NEGATIVE PLEDGE

This Condition 4 applies only to Senior Notes.

So long as any of the Senior Notes and/or the related Receipts or Coupons remains outstanding (as defined in the Agency Agreement), the Issuer will ensure that no Relevant Indebtedness of the Issuer or any of its Subsidiaries (as defined in Condition 11.3) will be secured by any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) other than a Permitted Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Subsidiaries unless the Issuer, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes, the Coupons and the Receipts are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of the Conditions:

**Covered Bonds** means bonds, notes or other securities (however defined) issued and designated by the Issuer as Covered Bonds and secured on a segregated pool of assets pursuant to the Financial Business Act.

**Permitted Security Interest** means (i) any Security Interest which is created pursuant to any securitisation, asset-backed financing or like arrangement in accordance with normal market practice and whereby the amount of indebtedness secured by such Security Interest or in respect of which any guarantee or indemnity is secured by such Security Interest is limited to the value of the assets secured and (ii) any Security Interest arising by operation of law.

**Relevant Indebtedness** means: (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities (other than Covered Bonds) which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market; and (ii) any guarantee or indemnity of any such indebtedness.

#### 5. REDENOMINATION

##### 5.1 *Redenomination*

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

- (c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
  - (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and
  - (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

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

## 5.2 Definitions

In the Conditions, the following expressions have the following meanings:

**Established Rate** means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

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

**Redenomination Date** means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

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

## 6. INTEREST

### 6.1 *Interest on Fixed Rate Notes*

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

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

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

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

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

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

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

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

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

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

## 6.2 *Interest on Floating Rate Notes and Index Linked Interest Notes*

### (a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including or, in the case of VP Systems Notes, but excluding) the Interest Commencement Date and such interest will be payable in arrear on either:

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

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

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

- (A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

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

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

(i) ISDA Determination for Floating Rate Notes

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

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

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

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

(ii) Screen Rate Determination for Floating Rate Notes

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

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent (or, in the case of VP Systems Notes, 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 Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

In the case of Notes other than VP Systems Notes, the Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotations appear, in each case as at the time specified in the preceding paragraph. In the case of VP Systems Notes, such provisions will be as set out in the applicable Final Terms.

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

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

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

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

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

The Principal Paying Agent, in the case of Floating Rate Notes which are not VP Systems Notes, and the Calculation Agent, in the case of Index Linked Interest Notes and Floating Rate Notes which are VP Systems Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes and Floating Rate Notes which are VP Systems Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

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

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

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

- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent, or in the case of VP Systems Notes, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

*6.3 Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

*6.4 Interest on Partly Paid Notes*

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

*6.5 Accrual of interest*

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

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

In such event in respect of VP Systems Notes, interest will continue to accrue until the date the holders of the VP Systems Notes receive the full amount of such payments.

*6.6 Interest Deferral*

This Condition 6.6 only applies to Subordinated Notes.

- (a) The Issuer shall pay on each Interest Payment Date, which is not an Optional Interest Payment Date (as defined in sub-paragraph (d) below), interest accrued on the Subordinated Notes during the Interest Period to which such Interest Payment Date relates. On any

Optional Interest Payment Date interest shall be paid as aforesaid unless the Issuer gives notice pursuant to paragraph (c)(i) below (subject to sub-paragraph (c) below) electing not to pay interest. Any interest in respect of the Subordinated Notes not paid on an Interest Payment Date, together with any other interest in respect of the Subordinated Notes not paid on any other Interest Payment Date shall, so long as the same remains unpaid, constitute **Arrears of Interest**.

Interest will accrue on the amount of any Arrears of Interest at the Rate of Interest applicable to the Subordinated Notes, in respect of any Interest Period, and such amount of interest (an **Additional Interest Amount**) with respect to each amount of Arrears of Interest will become due and payable pursuant to sub-paragraph (c) below and shall be calculated by the Principal Paying Agent (on notification of the relevant Rate of Interest from the Agent Bank or Calculation Agent, as the case may be) in accordance with Condition 6.2(e) above. All Additional Interest Amounts accrued up to any Interest Payment Date shall be added, for the purposes only of calculating the Additional Interest Amounts accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date.

- (b) Subject to Condition 3.3, Arrears of Interest (together with all corresponding Additional Interest Amounts) in respect of Subordinated Notes for the time being outstanding shall become due and payable in full on the earliest of:
  - (i) the date on which the Issuer next satisfies the capital adequacy requirements of the Financial Business Act;
  - (ii) the date upon which the then outstanding principal amount of the Subordinated Notes becomes due and payable; or
  - (iii) the bankruptcy or liquidation of the Issuer.

Until the payment in full (subject to Condition 3.3) of all Arrears of Interest (together with all corresponding Additional Interest Amounts) the Issuer shall not declare, pay or make any dividend or other distribution on any class of its share capital.

- (c) The Issuer shall, subject as set out below, give notice to the Noteholders in accordance with Condition 15 and to the Principal Paying Agent of:
  - (i) any Interest Payment Date on which, pursuant to the provisions of sub-paragraph (a) above, interest will not be paid; and
  - (ii) any date upon which, pursuant to the provisions of sub-paragraph (b) above, amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable.

Any notice given by the Issuer pursuant to sub-paragraph (c)(i) above shall apply to each succeeding Optional Interest Payment Date until the next Interest Payment Date to occur on which the Issuer satisfies the capital adequacy requirements of the Financial Business Act. Notwithstanding the requirement to give notice pursuant to sub-paragraph (c)(i) above, failure to give such notice shall not prejudice the right of the Issuer not to pay interest pursuant to the provisions of sub-paragraph (a) above.

- (d) In these Conditions, **Optional Interest Payment Date** means any Interest Payment Date where (i) the Issuer does not satisfy the capital adequacy requirements of the Financial Business Act and (ii) the Issuer has resolved not to pay interest and defer such payment pursuant to section 136(6) of the Financial Business Act.

## 7. PAYMENTS

### 7.1 *Method of payment*

Subject as provided below:

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

## **7.2 Presentation of definitive Bearer Notes, Receipts and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

## **7.3 Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified

office of any Paying Agent outside the United States. A record of each payment, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### ***Payments in respect of Registered Notes***

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the 15th day (whether or not such 15th day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

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

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

### ***7.4 General provisions applicable to payments***

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

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

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

Payments of principal and interest in respect of VP Systems Notes will be made to the persons registered as Noteholders in the relevant records of VP or VP LUX, as the case may be, in accordance with and subject to the rules and regulations from time to time governing VP or VP LUX, as the case may be, by transfer to an account denominated in the currency in which the payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with a bank in the applicable financial centre of that currency.

All payments in respect of the VP Systems Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

#### **7.5 Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon (other than a VP Registered Note to which Condition 7.6 will apply) is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) in the case of Notes in definitive form only, the relevant place of presentation;
  - (ii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET 2 System is open.

#### **7.6 VP Payment Day for VP Systems Notes**

If the date for payment of any amount in respect of VP Systems Notes is not a payment day, the holder thereof shall not be entitled to payment until the next succeeding VP Systems Notes Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, **VP Systems Notes Payment Day** means any day which (subject to Condition 10) is a day on which commercial banks

and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each applicable financial centre specified in the relevant Final Terms and, if TARGET 2 is an applicable financial centre, a TARGET 2 Settlement Day.

#### **7.7 Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 9;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5(c)); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

### **8. REDEMPTION AND PURCHASE**

#### **8.1 Redemption at maturity**

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

#### **8.2 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent (and, in the case of VP Systems Notes, the Issuing Agent) and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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

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

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 below together (if appropriate) with interest accrued to (but excluding or, in the case of VP Systems Notes, and including) the date of redemption.

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

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

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Principal Paying Agent (and, in the case of a redemption of VP Systems Notes, the Issuing Agent);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding or, in the case of VP Systems Notes, and including) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, and in accordance with the rules of the VP and/or VP LUX, as the case may be, in the case of VP Systems Notes, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

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

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding or, in the case of VP Systems Notes, and including) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes) or the Issuing Agent (in the case of VP Systems Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition. In the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

In the case of VP Systems Notes, a Put Notice will not be effective against the Issuer before the date on which the relevant VP Systems Notes have been transferred to the account designated by the relevant Issuing Agent and blocked for further transfer until the Optional Redemption Date by the Issuing Agent. In the case of VP Systems Notes, the right to require redemption of such Notes in accordance with this Condition 8.4 must be exercised in accordance with the rules and procedures of the VP and/or the VP LUX, as the case may be, and if there is any inconsistency between the foregoing and the rules and procedures of the VP and/or the VP LUX, as the case may be, the rules and procedures of the VP and/or the VP LUX, as the case may be, shall prevail.

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

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 and instead to declare such Note forthwith due and payable pursuant to Condition 11.

#### 8.5 *Early Redemption Amounts*

For the purpose of Condition 8.2 above and Condition 11, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

**RP** means the Reference Price;

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

<sup>y</sup> is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including or, in the case of VP Systems Notes, but excluding) the Issue Date of the first Tranche of the Notes to (but excluding or, in the case of VP Systems Notes, and including) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

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

#### 8.6 *Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5.

#### 8.7 *Partly Paid Notes*

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

## **8.8 Purchases**

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

## **8.9 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent (or in the case of VP Systems Notes, the Issuing Agent), and cannot be reissued or resold.

## **8.10 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

In such event in respect of VP Systems Notes, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph 8.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date on which holders of the VP Systems Notes received the full amount of such payment.

## **9. TAXATION**

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

- (a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 7.5); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) **Tax Jurisdiction** means Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or, in the case of VP Systems Notes, the holders of the VP Systems Notes, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

## 10. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

In the case of VP Systems Notes, claims against the Issuer for the payment of principal and interest payable in respect of the VP Systems Notes shall in accordance with section 73 of the Securities Trading Act be void unless made within ten (10) years (in the case of principal) and three (3) years (in the case of interest) after the Relevant Date therefore and thereafter any principal or interest payable in respect of such VP Systems Notes shall be forfeited and revert to the Issuer.

## 11. EVENTS OF DEFAULT

### 11.1 *Events of Default relating to Senior Notes*

This Condition 11.1 only applies to Senior Notes. If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of three Banking Days (as defined below); or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 14 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any Material Subsidiary becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any Material Subsidiary fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment; (iii) any security given by the Issuer or any Material Subsidiary for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any Material Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this sub-paragraph 11.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least €10,000,000 (or its equivalent in any other currency) and provided further that, for the purposes of this Condition 11.1(c), neither the Issuer nor any Material Subsidiary shall be deemed to be in default with respect to any such indebtedness, guarantee or indemnity if it is taking action in good faith in appropriate legal proceedings to dispute its liability to make payment thereunder and has been advised by independent legal advisers of recognised standing that it is reasonable for it to do so; or
- (d) if it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes, the Agency Agreement or the Deed of Covenant;

- (e) if 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 (C) except for the purposes of and followed by a solvent liquidation, reconstruction, or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders, 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 or (D) ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders, provided that an arms length sale of Finans Nord A/S (or its successor in business) on market terms or its merger or consolidation with the Issuer will not constitute an Event of Default under this Condition 11.1(e)(D); or
- (f) if (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 the Issuer or 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 an Extraordinary Resolution of the Noteholders, or an order is made or an effective resolution is passed for the winding-up of the Issuer or any Material Subsidiaries, except in any such case for the purposes of a solvent liquidation, reconstruction or amalgamation the terms of which have previously been approved in writing by an Extraordinary Resolution of the Noteholders; or
- (g) if the Issuer initiates or consents to proceedings relating to itself under any applicable bankruptcy law or makes a conveyance or assignment for the benefit of or enters into any composition with its creditors; or
- (h) if proceedings are initiated against the Issuer under the provisions of Chapter 10 of the Bank Act or any applicable bankruptcy law and such proceedings are not discharged or stayed within a period of 60 days or the Issuer loses its banking licence; or
- (i) if 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 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; or
- (j) if any present or future Security Interest (as defined in Condition 4) 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; or
- (k) if the Issuer repudiates its obligations in respect of the Notes or does or causes to be done any act or thing evidencing an intention to repudiate such obligations; or
- (l) if at any time any act, condition or thing required to be done, fulfilled or performed in order, (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Notes, the

Receipts and the Coupons admissible in evidence in Denmark is not done, fulfilled or performed; or

- (m) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have an analogous effect to any of the events referred to in paragraphs (e) to (j) above,

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

For the purposes of Condition 11.1(e), **successor in business** means any entity which acquires in any manner all or substantially all the undertaking, property and/or assets of Finans Nord A/S or carries on as a successor to Finans Nord A/S the whole or substantially the whole of the business carried on by Finans Nord A/S prior thereto.

### 11.2 Events of Default relating to Subordinated Notes

This Condition 11.2 applies only to Subordinated Notes.

- (a) Any one or more of the following events shall constitute an Event of Default (**Event of Default**):
  - (i) subject to Conditions 3.3 and 6.6, default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of three Banking Days; or
  - (ii) an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer.
- (b)
  - (i) If an Event of Default shall have occurred and be continuing, any Noteholder may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit (other than filing a petition for bankruptcy) to enforce its rights, provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable, except as set forth in Condition 11.2(b)(ii) below.
  - (ii) If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer, then all the Subordinated Notes shall become immediately due and payable at the request of any Noteholder at their then outstanding principal amount together with interest accrued to such date (including Arrears of Interest and all corresponding Additional Interest Amounts). If any Note shall become so repayable, it shall be repaid at its Early Redemption Amount, together with accrued interest (if any) to the date of payment thereof.

### 11.3 Definitions

For the purposes of the Conditions:

**Banking Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

**Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

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

- (a) its net profits attributable to the Issuer (before taxation and extraordinary items) for its last completed financial year are not less than five 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
- (b) its gross assets attributable to the Issuer for its last completed financial year represent five 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.

**Subsidiary** has the meaning given to that term in Section 5(3) of the Danish Companies Act.

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

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

## **13. PAYING AGENTS**

### *13.1 Notes other than VP Systems Notes*

The following shall apply only to Notes other than VP Systems Notes:

The names of the initial Paying Agents and their initial specified offices are set out below.

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

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.4. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 or more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

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

### *13.2 VP Systems Notes*

The following shall apply only to VP Systems Notes. In relation to VP Systems Notes, the Issuer will, in accordance with the procedures applicable to and/or issued by VP and/or VP LUX from time to time, appoint (i) VP or VP LUX as the central securities depository, and (ii) an issuing agent (the **Issuing Agent**). The Issuing Agent will be specified in the relevant Final Terms.

In the case of VP Systems Notes, the Issuer shall at all times maintain a VP Systems Agent authorised to act as an account holding institution with the VP and/or VP LUX, as the case may be, and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VP Systems Notes so require.

The Issuer is entitled to vary or terminate the appointment of VP, VP LUX or the Issuing Agent, provided that the Issuer will appoint another central securities depository or Issuing Agent, each of them to be duly authorised under the procedures applicable to and/or issued by VP and/or VP LUX, as the case may be, from time to time. The central securities depository and the Issuing Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders.

#### **14. EXCHANGE OF TALONS**

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

#### **15. NOTICES**

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

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

Notices to Noteholders of VP Systems Notes shall be given (i) in accordance with the procedures of VP and/or VP LUX, as the case may be, and (ii) in a manner which complies with the rules of any stock exchange or other relevant authority on which the relevant VP Systems Notes are for the time being listed or by which they have been admitted to trading.

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

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

Notices to be given by any holder of VP Systems Notes shall be in writing and lodged with the Issuing Agent.

## **16. MEETINGS OF NOTEHOLDERS AND MODIFICATION**

### *16.1 Meetings of Noteholders and Modifications other than VP Systems Notes*

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

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

- (a) any modification (except such modifications in respect of which an increased quorum is required) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

### *16.2 Meetings of Noteholders and Modification in respect of VP Systems Notes*

This Condition 16.2 is applicable only in relation to VP Systems Notes. Meetings of Noteholders of VP Systems Notes shall be held in compliance with the relevant regulations of the VP and/or VP LUX, as the case may be.

The Issuer may amend the Notes and these Conditions without the consent of the Noteholders to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions except as provided below. In addition, the Notes and these Conditions may be modified by a resolution in writing signed by or on behalf of all Noteholders or pursuant to a meeting of VP Systems Noteholders in accordance with Condition 16.1 above.

## **17. FURTHER ISSUES**

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

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

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

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

### **19.1 *Governing law***

The Agency Agreement, the Deed of Covenant, the Notes (except for Conditions 3.2, 3.3, 6.6 and 11.2), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes (except for Conditions 3.2, 3.3, 6.6 and 11.2), the Receipts and the Coupons, are and shall be governed by, and construed in accordance with, English law. Conditions 3.2, 3.3, 6.6 and 11.2 and the registration of Notes in the VP and the dematerialisation of the Notes in the VP LUX are governed by, and shall be construed in accordance with, the laws of the Kingdom of Denmark. In the case of the registration of Notes in the VP LUX, such registration shall be governed by, and shall be construed in accordance with Luxembourg Law..

### **19.2 *Submission to jurisdiction***

The Issuer irrevocably agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with this Agreement) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceeding relating to any non-contractual obligations arising out of or in connection with this Agreement) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

### **19.3 *Appointment of Process Agent***

The Issuer appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process, and undertakes that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

### **19.4 *Other documents***

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

### **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF THE ISSUER

### INTRODUCTION

Spar Nord Bank A/S (the **Bank**) is Denmark's fifth-largest full-service retail banking group measured in terms of business volume. The Bank's total assets (including its consolidated subsidiaries and affiliates, together the **Group**) amount to DKK67.4 billion as at 31 December 2010 and the Group has a market capitalisation of DKK2.8 billion as at 25 March 2011.

The Bank has its headquarters in Aalborg, the main city of Northern Jutland. Traditionally, Northern Jutland has been the Group's core business region, but since 2001 the Bank has expanded geographically by establishing retail-banking branches (**Local Banks**) throughout Denmark. Furthermore, the Group's leasing company, Finans Nord A/S, has set up a subsidiary in Sweden. In 2008, the Bank acquired seven retail-banking branches in the Zealand region from Roskilde Bank. In 2009, following an unsuccessful bid to take over the branch network from the collapse of Fionia Bank, Spar Nord Bank established three new retail banking branches, in Svendborg, Nyborg and Hilleroed. Furthermore, the Bank established a branch of its Trading, Financial Markets & the International Division based in Odense.

### History

The foundation of what has grown to become the modern financial business of the Bank was established in 1824. Aalborg Byes og Omegns Sparekasse, as the Bank was then called, was founded by grocer Jacob Kjellerup on the basis of the slogan, "A means to prosperity". In 1967, Aalborg Byes og Omegns Sparekasse merged with Landbosparekassen to become Sparekassen Nordjylland. In subsequent years, several Local Banks joined the then savings bank, and in 1990 Sparekassen Nordjylland became a listed public limited company. The name was changed to Spar Nord Bank in 1998.

### Legal status and Group description

The Bank is a public limited company, registered in Denmark with registration number CVR No DK 13 73 75 84. There are no restrictions as to voting rights, nor are there any restrictions with respect to ownership.

In addition to the dominant banking activities of the Bank, the Group includes the wholly owned subsidiaries Finans Nord A/S (which focuses primarily on leasing/financing activities), SN Finans Nord AB (leasing), Finans Nord Easyfleet A/S (operational car leasing), Finans Nord Cross Border A/S (leasing), Erhvervsinvest Nord A/S (which specialises in venture investment) and Spar Nord Ejendomsselskab A/S (which will be the future owner of the new corporate properties).

Furthermore, the Bank has significant ownership interests in Nørresundby Bank A/S, SDC af 1993 Holding A/S (a data provider), JSNFA Holding A/S (49 per cent. ownership of Advizer) (a corporate finance company) and Linde Partners Asset Management S.A. (an asset management entity).

The Bank's registered office and principal place of business is Skelagervej 15, DK – 9000 Aalborg. The main telephone number is +45 96 34 40 00 and its website is [www.sparnord.dk](http://www.sparnord.dk).

### Ownership

The Bank is listed on Nasdaq OMX, the Nordic Exchange, and has approximately 111,000 shareholders (as of 31 December 2010). Two shareholders, being The Spar Nord Foundation (29 per cent. shareholding) and Nykredit A/S (7.7 per cent. shareholding), have informed the Bank of holdings exceeding 5 per cent. of the Bank's share capital.

The Spar Nord Foundation was established in 1990 when the Bank was converted into a public limited company. The Foundation's objective is to carry on the activities of the Bank and distribute funds for charitable purposes. The Foundation bases its Bank ownership on the following principle: "As long as the Bank presents its shareholders with a competitive return, it is the Fund's policy to defend the Bank's independence – towards the Bank's customers, employees and the community at large."

## Financial Performance

The table below is an extract of the Group's income statement, balance sheet and financial ratios for the last five financial years (source: Spar Nord Bank A/S's 2010 Annual Report).

### CORE EARNINGS - YEAR

#### PERFORMANCE INDICATORS

INCOME STATEMENT DKK M	2010	2009	Change in %	2008	2007	2006
Net interest income	1,607.9	1,767.7	-9.0	1,502.3	1,149.7	1,010.7
Net income from fees, charges and commissions	505.6	416.8	21.3	402.1	482.9	470.3
Market-value adjustments and dividends	268.3	304.0	-11.7	-68.2	181.9	208.6
Other operating income	132.5	99.8	32.8	89.6	75.6	61.4
Profit/loss on equity investments in associates and group enterprises	61.0	35.9	69.9	31.5	99.1	84.0
<b>Core income</b>	<b>2,575.3</b>	<b>2,624.2</b>	<b>-1.9</b>	<b>1,957.3</b>	<b>1,989.2</b>	<b>1,835.0</b>
<b>Costs</b>	<b>1,642.3</b>	<b>1,621.4</b>	<b>1.3</b>	<b>1,380.1</b>	<b>1,286.3</b>	<b>1,161.8</b>
<b>Core earnings before impairment</b>	<b>933.0</b>	<b>1,002.8</b>	<b>-7.0</b>	<b>577.2</b>	<b>702.9</b>	<b>673.2</b>
Impairment of loans, advances and receivables, etc.	453.6	584.0	-22.3	235.8	-111.3	-172.5
<b>Core earnings</b>	<b>479.4</b>	<b>418.8</b>	<b>14.5</b>	<b>341.4</b>	<b>814.2</b>	<b>845.7</b>
Earnings from investment portfolios *)	-22.2	17.1	-	-229.3	18.8	35.2
Totalkredit (sale of shares)	0.0	0.0	-	92.9	0.0	152.3
<b>Profit/loss on ordinary operations</b>	<b>457.2</b>	<b>435.9</b>	<b>4.9</b>	<b>205.0</b>	<b>833.0</b>	<b>1,033.2</b>
Contributions to sector-targeted solutions *)	-324.2	-291.2	11.3	-81.3	0.0	0.0
<b>Profit/loss before tax</b>	<b>133.0</b>	<b>144.7</b>	<b>-8.1</b>	<b>123.7</b>	<b>833.0</b>	<b>1,033.2</b>
Tax	28.0	27.2	2.9	28.4	152.7	204.6
<b>Profit/loss after tax</b>	<b>105.0</b>	<b>117.5</b>	<b>-10.6</b>	<b>95.3</b>	<b>680.3</b>	<b>828.6</b>

#### BALANCE SHEET DISCLOSURES

DKK M						
Total assets	67,436	64,529	4.5	69,268	63,394	58,565
Loans and advances	39,952	38,315	4.3	45,376	40,939	34,318
bank loans and advances	38,435	38,315	0.3	43,156	40,506	32,409
reverse transactions	1,517	0	-	2,220	433	1,909
Deposits	36,882	35,998	2.5	38,019	31,416	26,259
bank deposits	30,391	31,931	-4.8	33,833	27,387	22,166
repo transactions	813	0	-	0	0	537
deposits in pooled schemes	5,678	4,067	39.6	4,186	4,029	3,556
Subordinated debt	2,477	2,681	-7.6	1,652	1,770	1,458
Shareholders' equity	4,374	4,143	5.6	4,024	4,138	3,649
Contingent liabilities	5,137	6,235	-17.6	4,561	4,048	7,017
Risk-weighted items	43,406	41,692	4.1	42,813	43,656	38,289
Core capital (incl. hybrid core capital) after deductions	5,717	5,502	3.9	4,154	4,098	3,727
Impairment of loans, advances and receivables, etc.	1,027	1,100	-6.6	606	444	525
Non-performing loans	105	103	1.9	48	27	48
Business volume	81,971	80,548	1.8	87,956	76,403	67,594

\*) The definition and breakdown of earnings from investment portfolios and contributions to sector-targeted solutions, which have been recognized separately, appear from note 3.

## FINANCIAL RATIOS

### Solvency

Solvency ratio [%]	13.4	14.2	11.3	11.1	10.8
Core capital ratio [%]	13.2	13.2	9.7	9.4	9.7

### Earnings

Return on equity before tax	%	3.1	3.5	3.0	21.4	30.9
Return on equity after tax	%	2.5	2.9	2.3	17.5	24.8
Income/cost ratio		1.06	1.06	1.07	1.71	2.03

### Market risk

Interest-rate risk	%	0.1	-0.3	0.3	1.3	0.4
Foreign-exchange position	%	2.9	2.9	9.1	5.7	6.7
Foreign-exchange risk	%	0.1	0.0	0.1	0.1	0.1

### Credit risk

Loans and advances relative to deposits	%	108.3	106.4	119.3	130.3	130.7
Loans and advances plus impairment relative to deposits	%	111.1	109.1	120.9	131.7	132.6
Loans and advances relative to shareholders' equity		9.1	9.2	11.3	9.9	9.4
Increase in loans and advances for the year	%	4.3	-15.6	10.8	19.3	26.5
Excess coverage relative to statutory cash ratio requirement	%	109.3	157.0	86.7	91.9	34.3
Large exposures as % of capital base *)	%	0.0	10.9	12.3	65.0	80.9
Impairment ratio [%]		1.2	1.5	0.5	-0.2	-0.4

## THE SPAR NORD BANK SHARE

### DKK per share of DKK 10

Earnings per share for the year	DKK	1.8	2.1	1.7	11.9	14.5
NAV per share	DKK	77	75	73	75	65
Dividend per share	DKK	0	0	0	3	3
Share price/earnings per share for the year		33.9	26.7	25.5	9.7	9.4
Share price/NAV per share		0.8	0.7	0.6	1.6	2.1

\*) With reference to the Danish Financial Supervisory Authority's "Guidelines on the reporting of financial ratios", the financial ratio "Large exposures as % of capital base" was adjusted for exposures to credit institutions below DKK 1 billion in 2010 in accordance with section 145 of the Danish Financial Business Act, for which reason this financial ratio is not fully comparable with previous years.

## THE DANISH BANKING SECTOR

As a result of many mergers and acquisitions in the last two decades the Danish financial sector is now more consolidated. However, compared to other European countries there are still a relatively high number of banks and savings banks. In terms of overall market share, the two pan-Nordic conglomerates, Danske Bank and Nordea, dominate the Danish Banking sector.

The next tier of the Danish banking sector is comprised of a group of regional banks: Jyske Bank, Sydbank, Spar Nord Bank, Vestjysk Bank and Arbejdernes Landsbank. The regional banks are characterised by their regional origins and their more or less extensive national branch network. After years of steady growth, the last three years have brought about a divide in the regional banks' market with the collapse of Roskilde Bank, Fionia Bank and most recently, Amagerbanken. The rest of the group still performing well relative to the market.

The rest of the Danish market is made up by a large number of smaller local banks and savings banks. As was the case for regional banks, the local bank market has experienced a division in recent years with a number of banks collapsing or merging with other banks (notably Forstædernes Bank, Lokalbanken i Nordsjælland, Ringkøbing Bank, EBH Bank, Løkken Sparekasse and Bonusbanken) while others still performed relatively well.

Since the beginning of 2008, more than 20 Danish banks and savings banks have discontinued their operations or been taken over by the Financial Stability Company. At the end of 2009, 148 commercial and savings banks were operating in Denmark.

The total balance sheet of the Danish banking sector as at the end of 2009 was approximately DKK4,3 billion. This represents 41 per cent. of the overall balance sheet of the Danish financial sector (source: The Danish Bankers Association).

The Danish banking sector is characterised by a long-standing tradition of partnering and deploying available technologies, notably for credit transfers. The transparent, joint infrastructure created by the institutions is a distinctive feature of the Danish financial sector.

After banking, the second largest activity in the Danish financial sector is mortgage credit. Dominant actors in this sector are Nykredit (including Totalkredit) and Realkredit Danmark (part of Danske Bank Group). The next tier of the market encompasses Nordea Kredit, BRF Kredit, and DLR Kredit. In the past, mortgage credit financing was predominately offered by independent mortgage credit institutions. At present, mortgage credit financing is offered by the major banking groups.

The only remaining major independent mortgage credit institution is Nykredit, the dominant player in the Danish market. In 2003 Nykredit strengthened its position through the acquisition of Totalkredit. Totalkredit – at the time the second largest mortgage credit provider in the Danish market – was owned by and distributed through 100 Danish banks and savings banks. After the acquisition, Totalkredit continues to operate as an independent brand and with an unchanged distribution way of distributing their products.

The Bank participates in the mortgage credit sector by selling products of both Nykredit and DLR Kredit through the branch network of the Bank. Spar Nord is a minority shareholder in both Nykredit and DLR Kredit, and the arrangement to sell their products is contained in various cooperation agreements. In total, the Bank has arranged mortgage-credit loan for a total of approximately DKK40 billion. Sales of the mortgage credit products of Nykredit and DLR Kredit generates fees and commissions for the Bank, which in the year to 31 December 2010, accounted for DKK104 million.

#### **Danish Government measure to ensure financial stability (Bank Packages)**

##### *Bank Package I: The Stability Package*

The Danish Stability Package was in force from 6 October 2008 to 30 September 2010. It contained a state guarantee for all deposits and other ordinary unsecured obligations of banks.

On 30 September 2010, the state guarantee expired and the ordinary deposit guarantee was increased to cover up to EUR100,000. The price of the package, for the financial sector, was guarantee commissions of DKK 15 billion and liability for the government's losses under the guarantee of 10 billion, divided over two years, the Bank's share of the sector payment amounted to approximately DKK600 million.

##### *Bank Package II: The Credit Package*

On 18 January 2009, the Danish government reached an agreement on a credit package that has led to the infusion of DKK 100 billion in so-called hybrid capital loans to the financial sector, about DKK 75 billion to banks and DKK 25 billion to mortgage finance institutions. The Bank raised a perpetual hybrid loan of DKK1.265 billion that is eligible for redemption at the beginning of 29 June 2014. The interest rate on the loan is set at 9.424%. The Bank's hybrid capital can be converted to share capital if it exceeds 35% of total tier 1 capital. If it exceeds 50 % of tier 1 capital, then it must be converted to shares. In both cases, it would be converted in tranches of 20 % of the loan until the hybrid capital is reduced to less than 35 % of tier 1 capital.

In addition to the infusion of state-funded hybrid core capital the Danish Act no. 875 of 15 September 2009 as amended (the "Financial Stability Act") established a transition scheme (the **Transition Scheme**) whereby Danish banks were eligible to apply for a state guarantee in relation to individual issues of unsubordinated and unsecured debt issued no later than 31 December 2010, with a maturity of up to three years.

Between July 2009 and July 2010, Spar Nord Bank raised loans with state guarantees for DKK 6.2 billion. Until 30 September 2010, the payment for the guarantee was part of the commission for participating in Bank Package I. In the fourth quarter of 2010, the Group began paying a fee of 95 bp., or DKK 58.9 million per quarter, for the guarantee.

##### *Bank Package III: Winding up distressed banks*

The general guarantee scheme whereby the Kingdom of Denmark unconditionally guaranteed unsubordinated creditors' claims against losses in Danish banks expired on 30 September 2010. Thus a creditor's claim against a Danish bank will no longer be covered by a general state guarantee.

Individual state guarantees under the Transition Scheme will remain in force according to their terms.

From 1 October 2010 the coverage from The Danish Guarantee Fund for Depositors and Investors (the “**Guarantee Fund**”), which is a private independent institution established by an Act of Parliament, has been increased to the equivalent in DKK or EUR 100,000. The rules of the Guarantee Fund apply to both private individuals and business enterprises that have deposited money with Danish financial institutions.

With effect from 1 October 2010 the Act on Financial Stability was amended *inter alia* to allow for a controlled winding-up of a distressed bank through the Financial Stability Company. The new scheme is voluntary and contains no general state guarantee of creditors and is referred to as Banking Scheme III.

If the DFSA sets a deadline by which a bank must meet the Danish capital adequacy requirements, the bank will be required to inform the DFSA as to whether it will use the controlled winding-up procedures or will go through the traditional bankruptcy procedures as established under Danish law. By law each Danish bank is required at its first general meeting after 1 October 2010 to present the question to the general meeting as to whether the bank will use the controlled winding-up procedures if the situation arises, will not use them or will not at that time make any decision either way.

The Guarantee Fund will provide a loss guarantee to the Financial Stability Company if a distressed bank is subject to the controlled winding-up through the Financial Stability Company. The Danish banks have contributed committed undrawn funding to the Guarantee Fund and are further obliged to contribute to the Guarantee Fund up to a maximum equalling 2 thousandth of the bank's total deposits (“indlånsmasse”) per accounting year, if the committed funding should become depleted. The loss guarantee will cover the Financial Stability Company's losses arising as a result of the funding and liquidity the Financial Stability Company provided for the purpose of winding-up the distressed bank under the new controlled winding-up procedure.

The intention of the new winding-up procedures is to wind up a distressed bank faster than under the traditional bankruptcy procedures. Furthermore, the scheme would allow the customers to operate their accounts and credit cards from Monday morning in a new bank established by the Financial Stability Company over the week-end and which has taken over all assets of the distressed bank.

In connection with the transfer, a preliminary valuation of the assets will be made by the Financial Stability Company. In the preliminary valuation, the assets including commitments are valued on basis of a winding-up scenario. As part of the agreement with the Financial Stability Company, the continuing bank will take over certain non-subordinated liabilities for an amount equal to the estimated value, which equals a preliminary dividend fixed over the week-end. The final dividend will be fixed at a later stage and any surplus following the completion of the winding up will be paid to the creditors in the bankruptcy order.

Depositing customers will be covered within the limits of the depositor's guarantee (in Danish “indskydergarantien”), which as a starting point covers net deposits of up to the equivalent in DKK of EUR 100,000. Certain specific deposits will be fully covered. Further information on the guarantee can be found on [www.gii.dk](http://www.gii.dk). Deposits covered by the guarantee will be recorded on the customer's accounts in the continuing bank. Deposits that are not covered by the depositor's guarantee or paid by way of dividend will be registered as claims in the bankruptcy estate of the wound-up bank.

Other creditors in the distressed bank in question, including lenders of subordinated loan and other subordinated debt, must direct their claim towards the estate in bankruptcy.

The Banking Scheme III procedures do not alter the risk for the creditors, which is that under both the Banking Scheme III procedures and the traditional bankruptcy procedures, the creditors may lose all or part of their claims.

## **DESCRIPTION OF THE SPAR NORD BANK GROUP**

### **Strategy and vision**

The general and long-term goal for the Bank's operations is to increase the amount of local autonomy available to its Local Banks. The Bank's corporate vision is to combine nationwide coverage with local autonomy and decentralised decision-making and thereby creating the most attractive bank for customers, employees and shareholders alike.

*Together we create financial freedom...*

While the corporate vision conveys the overriding goal for the Bank's future growth, the mission statement is the Bank's commitment to its customers: "Together we create financial freedom." The Bank helps to create greater financial elbowroom for the individual customer, whether personal or corporate. The Bank's employees enter into a dialogue with customers about the options available within their financial means. The express aim for the Bank is to take the top-level competencies and product range from larger banks and combine these with the local presence associated with small banks.

*Active involvement, ambition and being down-to-earth*

The Bank is united throughout its chain around three common core values: active involvement, ambition and being down to earth. The purpose of the values is to provide a set of guiding principles for the Bank's daily involvement with customers and other stakeholders.

*Local strategy and growth*

Since 2001, the Bank's activities have been based on its "Local Strategy". The term signals the intention to create growth by opening new Local Banks outside the Bank's traditional core operating area, North Jutland. The Bank's goal is to gain nationwide coverage over time by setting up Local Banks in every Danish town with more than 25,000 residents.

Some of the goals underlying the growth strategy are to reduce business and risk concentration and to exploit the potential of the Bank's special approach to retail banking in a wider geographic area. Throughout the entire period of expansion, management has pursued a policy of providing maximum security for a cost-effective expansion process. The means include centralised credit monitoring (see "Credit risks"), and requiring all newly opened Local Banks to break even within three years.

When the Local Strategy was adopted, the decision was also made to reduce the Bank's dependency on major individual commitments. Specifically, no single customer exposure is to exceed DKK400 million.

Since the strategy was adopted in 2001, the Bank has added 28 Local Banks outside of North Jutland to its local banking chain. 19 of the new Local Banks have been established as green-field operations and nine further banks have been acquired.

In the same period, there has been some consolidation of the Bank's Local Branch network, with the operations of 20 branches in Northern Jutland merging with those of other branches in the area. The total number of Local Banks has grown from 65 in 2001 to 71 in 2010.

In years to come, focus will be on exploiting the business and earnings potential created during the period of expansion. Accordingly, the bank does not plan to set up any new local banks; instead, efforts will be channelled into creating growth in business volume and earnings at the existing units. This may be effected through purely organic growth or through acquisitions in selected areas.

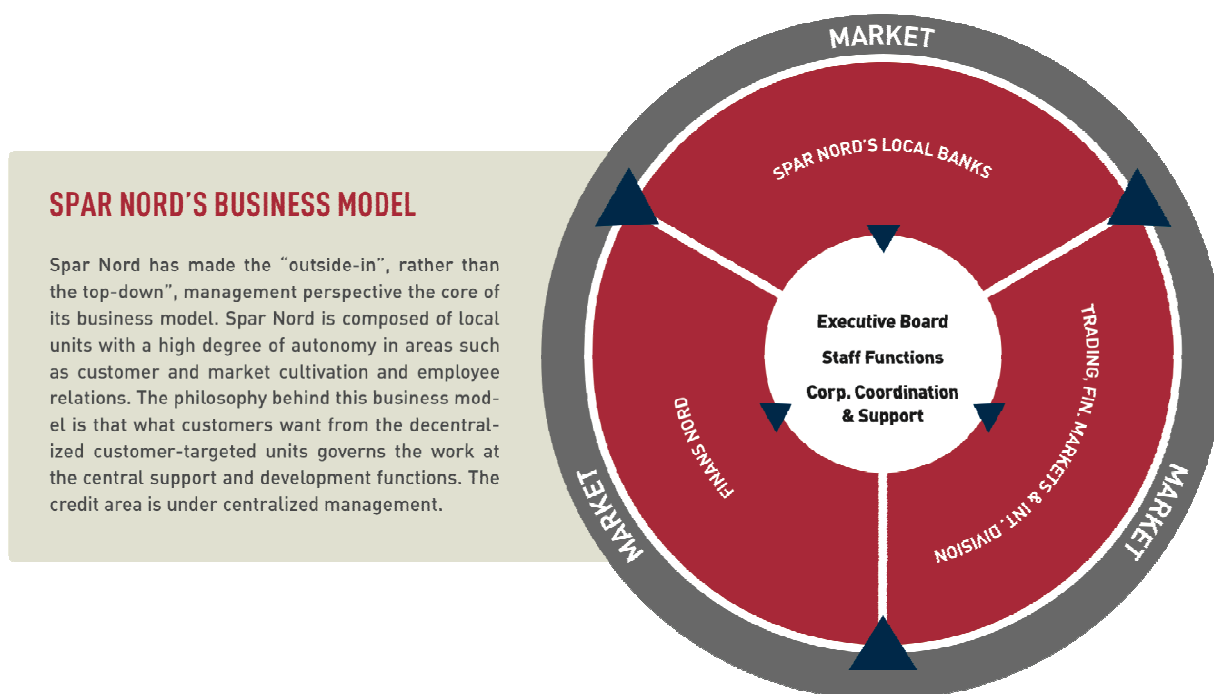
*Strategy Plan 2011-13: TIME FOR CUSTOMERS*

The Bank launched its new strategy plan TIME FOR CUSTOMERS in the Annual Report 2010. The new strategy plan operates from the same platform the Bank has used for a number of years: The decentralized business model, the vision to create the most attractive banking chain in the country, the mission of having financial freedom and the three basic values: Active involvement, ambition and a down-to-earth approach.

The name TIME FOR CUSTOMERS is to signify the Group's emphasis on increasing the number of customers and to convert recent years' geographical growth into growth in business volume and earnings. Finally, the name highlights the strategic goal of freeing up more employee time for advising and providing services to customers.

## Organisation

Apart from the Bank's local banks, which make up the largest business unit, the banking division has two other profit centres: the Trading, Financial Markets Division & the International Division and the leasing company Finans Nord A/S, which operates from Aalborg, Kolding, Roskilde and Sweden. The Bank's headquarters in Aalborg consists of Corporate Coordination & Support and four support divisions, which provide services to the decentralised units with special competencies in customer and market concepts, credit monitoring and employee development. As at 31 December 2010, the Bank has a total of 1,470 employees, who serve 280,000 customers and 111,000 shareholders.



## Business Areas

As part of a full-service retail banking chain, the Bank's Local Banks offer all standard products and transaction types for the core segments, private customers and local businesses. In the specialty areas, cooperation has been established either with internal organisational units or with strategic partners, including Totalkredit, Nykredit and DLR Kredit in the mortgage-credit area; BankInvest, Valueinvest and Sparinvest in the unit trust area; and Privatsikring in the non-life insurance area.

In areas such as investment and wealth management, the Bank's products and services are mainly based on in-house competencies. The Trading, Financial Markets & the International Division in Aalborg employs 67 specialists serving, among others, the advisers in the Bank's 11 local and regional investment and pension centres.

## Business Units and Geography

The Bank's traditional core region is Northern Jutland. Since 2001, however, the Bank has established 28 new Local Banks in major cities all over Denmark. Before that time, the Bank was already present in Copenhagen and Aarhus. The map below shows the Bank's geographical presence (**Bank Areas**).



### ***Retail Banking – Local Banks***

The Bank's retail banking activities are carried out in 34 designated bank areas. Each bank area consists of one to five Local Banks, is led by a senior vice president and employs 10 to 120 people. In total, the banking chain consists of 71 Local Banks. In the investment and pension areas, the bank areas have established cooperation regarding 11 investment and pension centres.

### ***Trading, Financial Markets & International Division***

Trading, Financial Markets & the International Division consists of five business units in all. The International Division is responsible for customers' foreign transactions and provides advisory services focusing on foreign issues, and the other four units are engaged in trading and investment counselling in such areas as securities, forex, financial instruments and asset management. In addition, the remit of the Trading, Financial Markets & International Division includes establishing and expanding business cooperation with financial institutions at home and abroad.

### ***Finans Nord A/S – leasing***

The Group's leasing subsidiary, Finans Nord A/S, carries out its activities from offices in Aalborg (the head office, which covers North and Mid-Jutland), Kolding (which covers South Jutland and Fuenen) and Roskilde (which covers Seeland). In addition, Finans Nord A/S has established a subsidiary of its own, SN Finans Nord AB, with offices in Malmö, Sweden, Gothenburg and Stockholm. Finans Nord A/S focuses on corporate financing, such as leasing of plant and equipment, loans and purchase agreement financing against mortgages/financial rights in the underlying assets, and operational leasing of cars and equipment.

Finans Nord A/S's core expertise lies within the sectors of transportation, farming, machine cooperatives, contractors and industry. Leasing continues to be a burgeoning area, as companies still prioritise low establishment costs and flexibility in the paperwork and the payment process.

### ***Corporate Co-ordination and Support***

Corporate Co-ordination and Support supplies internal services to the other units in the banking chain. In recent years, however, it has also attracted independent financial institutions as its customers. Corporate Coordination and Support consists of Business Development, the HR Department, the IT Department, Back Office, Spar Nord Production and Spar Nord Direct.

The following table shows the profit before tax of the Bank generated by the various business segments of the Bank for the year ended 31 December 2010:

## Business segments 2010

### SEGMENT INFORMATION

<b>BUSINESS SEGMENTS 2010</b> DKK m	Spar Nord's Local Banks	Finans Nord	Trading, Financial Markets & the Inter- national Division	Corporate Coordination & Support	Staff Functions	Unallocated	Eliminations	Core Earnings*)	Earnings from investment portfolios, etc.	Contribu- tions to sector- targeted solutions	The Group, total
<b>INCOME STATEMENT</b>											
Net interest income	1,244.4	189.8	203.6	-1.4	-11.0	-17.5	0.0	1,607.9	-0.1	0.0	1,607.8
Net income from fees, charges and commissions	482.5	7.1	8.6	4.9	-0.4	2.9	0.0	505.6	0.0	0.0	505.6
Market-value adjustments and dividends	93.9	-1.8	138.5	5.0	-3.1	33.4	2.4	268.3	-20.2	0.0	248.1
Other operating income	27.0	98.3	7.8	-1.8	24.9	-8.0	-15.7	132.5	-0.1	0.0	132.4
Profit/loss on equity investments in associates	0.0	0.0	0.0	0.0	0.0	61.0	0.0	61.0	1.5	-22.0	40.5
<b>Core income/revenue, total</b>	<b>1,847.8</b>	<b>292.4</b>	<b>358.5</b>	<b>6.7</b>	<b>10.4</b>	<b>71.8</b>	<b>-13.3</b>	<b>2,575.3</b>	<b>-18.9</b>	<b>-22.0</b>	<b>2,534.4</b>
Operating expenses, depreciation and amortization	1,277.4	173.7	64.1	5.1	10.0	124.4	-12.4	1,642.3	0.3	208.6	1,851.2
<b>Core earnings before impairment</b>	<b>570.4</b>	<b>119.7</b>	<b>294.4</b>	<b>1.6</b>	<b>0.4</b>	<b>-52.6</b>	<b>-0.9</b>	<b>933.0</b>	<b>-19.2</b>	<b>-230.6</b>	<b>683.2</b>
Impairment of loans, advances and receivables, etc.	355.7	97.3	0.0	0.2	0.4	0.0	0.0	453.6	3.0	93.6	550.2
<b>Core earnings / profit/loss on ordinary operations</b>	<b>214.7</b>	<b>22.4</b>	<b>294.4</b>	<b>1.4</b>	<b>0.0</b>	<b>-52.6</b>	<b>-0.9</b>	<b>479.4</b>	<b>-22.2</b>	<b>-324.2</b>	<b>133.0</b>
Contributions for sector-targeted solutions	-84.8	-18.8	-12.6	-3.4	-1.5	-206.1	0.0		0.0	324.2	0.0
<b>Profit/loss before tax</b>	<b>129.9</b>	<b>3.6</b>	<b>281.8</b>	<b>1.0</b>	<b>-1.5</b>	<b>-258.7</b>	<b>-0.9</b>		<b>-22.2</b>	<b>0.0</b>	<b>133.0</b>

\*] The core earnings column corresponds to the Group figures in the Management's review  
The relation to the Group is specified in the columns Earnings from investment portfolios, etc. and Contributions to sector-targeted solutions.

## Customers

Retail customers and companies in the local community are the Bank's primary customer group. However, a major caveat of the Bank's strategy is that decisions regarding a given bank area's specific market focus and the business niches to be targeted are made locally. In practice, this means that some bank areas target the corporate segment, others focus more closely on investment and asset management, while others in turn concentrate on housing finance. However, the trend shows that all bank areas are continually developing into balanced full service units with products and customers in all segments.

At the end of 2010, the Bank had a total of 280,000 customers which is 5,400 more than the previous year. The total number of customers comprises 247,000 retail customers and 33,000 corporate customers. The Bank has been able to generate net customer growth for a period of five consecutive years because geographical expansion has now started to make a true mark, and the Bank is enjoying a high level of loyalty among existing customers.

## Risk Management

### Credit Risk

Credit risks are managed according to the Bank's credit policy, which is geared to ensure that earnings and risks are balanced, and that the risk assumption is always quantified.

The Bank has an internal limit on customer commitments, which may not exceed DKK400 million. In determining the amount of a commitment, due provision is made for the specially secured claims that are referred to in section 4 of the Financial Supervisory Authority's Order on Major Commitments. Commitments with trading partners in the financial sector are not included for the purpose of calculating the Bank's upper limit of DKK400 million.

Customer advisers in consultation with the individual managers handle day-to-day control of the Bank's credit risks. If a commitment exceeds the loan authorisation line at local level, the power to approve such a loan will pass to either the Credit Rating Department, the Executive Board or the Supervisory Board.

Overall monitoring of the Bank's total credit risk exposure is handled by the Credit Quality Department. This department monitors developments in the credit quality of all commitments. An ongoing and systematic credit quality assessment is made of the Bank's entire commitment portfolio.

Over the past few years, the Bank has developed and implemented IT tools for controlling and monitoring credit risks, and recording key data regarding credit commitments and customers' financial affairs. The objective of using this credit analysis system is to detect danger signals from

commitments at an early stage, while also monitoring portfolios and organisational units. An internal rating system and a credit scoring system have been implemented in all the Bank's departments and are also used as a basis for credit decisions at the local level, in the sense that customers assigned the lowest risk score are more likely to have their credit line extended than those assigned higher risk scores. In addition, the systems are used for managing overdrafts and serve as a guide for pricing purposes.

### ***Lending Portfolio***

The Bank has diversified its lending portfolio in terms of industries, and a relatively larger share of lending to borrowers in the agricultural sector and the transport industry compared with the banking sector can be attributed to North Jutland's business and industrial structure and the fact that Finans Nord A/S specialises in leasing transport and agricultural equipment. Compared with the average for the Danish banking sector, a relatively larger share of Spar Nord's loans, advances and guarantees can be attributed to retail customers.

After several years of credit quality improvement in the lending portfolio, the financial crisis in 2008 and 2009 resulted in a slight downturn in the average credit quality. However, this trend reversed in 2010 where, in relative terms there was an overall increase in the share of the Group's total exposure to the categories with the lowest risk and a decrease in the weakest categories.

### ***Market Risk***

Market risks are monitored according to a three-level instruction hierarchy within the Bank. The Supervisory Board determines the limits for the Group and the Executive Board delegates these limits to the other entities of the Group. The executives of the Trading, Financial Markets & the International Division (being the largest entity), are only granted the limits within which they may operate. In addition, the Middle Office function of the Bank's Finance and Accounts Department is responsible for estimating, monitoring and checking market risks and reporting them to the Supervisory and Executive Boards of the Bank. All trades are settled by the Bank's Back Office according to the guidelines issued by the DFSA regarding functional separation.

### ***Interest-rate Risk***

The Bank calculates the net interest risk by converting all positions in different currencies into Danish currency and setting off negative positions against positive ones. The Bank's interest-rate is assessed on an ongoing basis and determined in light of expectations for the macro-economic situation and market developments.

### ***Equity Risks***

The Bank invests some of its assets in shares, which are generally subject to greater risks and volatility than bonds. The Bank's total equity portfolio at 31 December 2010 aggregated DKK1,867 million. Of this amount, shares in associates, e.g. Nørresundby Bank, in which the Bank holds a 50.2 per cent. interest, totalled DKK645million. Shares in strategic partners in the financial sector amount to DKK924million.

The Bank's actual equity portfolio of listed shares, unit trust certificates and unlisted venture shares acquired through the wholly-owned subsidiary Erhvervsinvest Nord A/S amounted to DKK299 million at 31 December 2010.

In line with the Group's goal to run a retail bank based on a well-balanced risk exposure, the Group decided in spring 2008 to reduce the level of its trading portfolio activity significantly. The Group's exposure to the market risk which includes interest, equity and forex risk is primarily incurred by way of proprietary trading at the Markets Division. In addition, a small portfolio of listed shares and the investment in unlisted shares held by Erhvervsinvest Nord A/S, Erhvervsinvest K/S and Vækst-Invest Nordjylland A/S remains in the portfolio.

### ***Foreign-exchange Exposure***

The Bank calculates its foreign-exchange risk exposure by means of a foreign-exchange indicator, which is computed based on the sums of all the currencies in which the Bank is short (borrowed) and all the currencies in which the Bank is long (placed). The foreign-exchange indicator is calculated by correlating the larger of the two sums to the Bank's core capital after deductions.

## **Liquidity**

The objective of the Bank's cash management is to ensure appropriate cash funds in order to honour the Bank's payment obligations as and when they fall due, and to ensure reasonable financing costs. In order to achieve this objective, work is carried out at three levels.

The Bank seeks to manage its liquidity risk at three levels. The first level is its long term internal liquidity target i.e. its cash deposits, senior funding longer than one year, subordinated loan capital longer than one year to call and shareholders' equity should exceed loans and advances to customers to ensure that customer lending is financed by long-term debt.

The first level is the long-term internal liquidity target, that cash deposits, senior funding, subordinated loan capital and shareholders' equity should exceed loans and advances to customers. The intention is to ensure that customer lending is financed by long-term debt. In addition, the Bank is focused on ensuring an even maturity structure of the Bank's senior debt.

The second level is the Bank's target to obtain free liquidity by way of unencumbered exchange-listed securities, demand deposits held with credit institutions, certificates of deposits or cash balances that will ensure the Bank's compliance with section 152 of the Financial Business Act, and that the Bank maintains an appropriate liquidity reserve.

Finally, at the third level, the Bank has for many years employed a fixed model to manage the Bank's short-term liquidity. The model is based on that developed by the DFSA. It shows how the Bank's liquidity will develop, when all money market funding falls due and is not renewed. The Supervisory Board will determine the time window in which the Bank's liquidity is required to remain positive according to the model.

Furthermore, in conformity with the guidelines laid down in section 71 of the Financial Business Act, the Bank has prepared a liquidity plan.

## **Operational Risk**

Operational risk is managed across the Group through a system of comprehensive business procedures and control measures developed to ensure an optimum process environment. The effort to minimize operational risks includes separating the execution of activities and the control of the same activities.

Internal Audit is an independent staff function established by the Supervisory Board in compliance with the Financial Supervisory Authority's Executive Order on the Conduct of Auditing in Financial Institutions. An independent compliance function was introduced in 2007 to oversee the Bank's compliance with financial legislation, industry standards and the Bank's internal guidelines in all areas. The objective of the new function is to assist Management in its efforts to identify and minimize risks by developing and conducting risk analyses, providing counselling to Management and employees and checking and assessing the adequacy and prudence of the Bank's procedures.

The Bank also has established IT security to protect its information and information systems. All IT installations running at the Bank and its service providers must operate according to documented running schedules and guidelines. The operation must be safe and stable, which will be ensured through the highest possible degree of automation and ongoing capacity adjustments. In the case of IT services run by service providers this is ensured by means of written agreements. The Bank's IT security work includes the preparation of emergency plans and recovery procedures aimed to ensure continued operation at a satisfactory level, even in case extraordinary events may have occurred.

## **Employees**

At the 2010 year end, the Bank had 1,471 full-time employees, 59 less than the previous year.

## **Management**

Management of the Bank is divided between the Supervisory Board and the Executive Board.

## **Supervisory Board**

The Bank's Supervisory Board is composed of nine members, six of whom are elected by the shareholders and the remainder by the employees. Shareholders elect the six members at the Annual General Meeting for a period of two years at a time, with half of the shareholder-elected members being up for election every year.

As at the date of this Prospectus, the Bank's Supervisory Board comprises:

<b>Name</b>	<b>Position</b>	<b>Other Positions</b>
Torben Fristrup	<i>Chairman of the Supervisory Board</i>	<p>Chief Executive Officer CUBIC-Modulsystem A/S Skjoldborgsgade 21 9700 Brønderslev</p> <p>Other current executive board posts: CUBIC-Holding Brønderslev A/S</p> <p>Chairman of the Supervisory Board: A/S Peder Nielsens Beslagsfabrikrik Brønderslev Industrilakering A/S CUBIC Norge A/S CUBIC-Modular System Ltd CUBIC Svenska AB Sjørring Maskinfabrik A/S</p> <p>Member of the Supervisory Board: Cubic-Modulsystem A/S Keflico A/S Rigmor Nielsens Fond</p> <p>Kauffelts Fond Spar Nord Fonden</p>
Per Nikolaj Bukh	<i>Deputy Chairman of the Supervisory Board</i>	<p>Professor Department of Business Studies Aalborg University Fibigerstraede 4 9220 Aalborg Øst</p> <p>Member of the Supervisory Board: Jurist- &amp; Økonomforbundets Forlag A/S Jurist- &amp; Økonomforbundets Forlagsfond Jurist- &amp; Økonomforbundets Forlag Holding A/S Spar Nord Fonden P.N. Bukh ApS Value Spread 1 ApS Berty A/S</p>
Hans Østergaard	<i>Member of the Supervisory Board</i>	<p>Professional supervisory board member Former State Authorised Public Accountant Plutonvej 84 9210 Aalborg SØ</p> <p>Chairman of the Supervisory Board: C.S. Electric ApS HNC Group A/S HNC Holding A/S HNC Nord ApS</p> <p>Member of the Supervisory Board: Dyrlægerne Himmerland Kvæg</p>
Niels K. Kirketerp	<i>Member of the Supervisory Board</i>	<p>Farmer Kirketerp Aalborgvej 5</p>

Name	Position	Other Positions
		9500 Hobro  Chairman of the Supervisory Board: Kost- og Ernæringsfagliges Personforsikringsselskab A/S Jordemødrenes Personforsikringsselskab A/S Kost- og Ernæringsfagliges Ejendomsaktieselskab Jordemødrenes Ejendomsaktieselskab Pensionskassen for Jordemødre  Member of the Supervisory Board: Amstrådsforeningen Professional supervisory board member
Carsten Normann	<i>Member of the Supervisory Board</i>	Amerikavej 7, Taulov 7000 Fredericia  Member of the Supervisory Board: Sportsman Gruppen A/S CaPa ApS Laboris ApS Søborg Hovedgade ApS
Per Søndergaard Pedersen	<i>Member of the Supervisory Board</i>	General Manager PSP Holding ApS Johannes Hofmeisters Vej 10 9000 Aalborg  Chairman of the Supervisory Board: Athene Group A/S Business Institute Aalborg A/S Consencia A/S EIPE Holding A/S Eksportakademiet Holding ApS Ib Andersen A/S Ib Andersen Ventilation A/S Ib Andersen Øst A/S  J.A. Plastindustri A/S JMI Ejendomme A/S JMI Gruppen A/S Konsulenthuset Fremtiden ApS Lindgaard A/S NOWACO Group A/S Nybolijg Jan Milwertz A/S Restaurant Fusion A/S Sport Nord A/S TBP Invest Aalborg A/S  Member of the Supervisory Board: Arkitekterne Bjørk og Maigaard ApS Bjørk og Maigaard Holding ApS Dansk Reservekraft ApS DTF Travel A/S Ejendomsselskabet Thorkild Kristensen A/S Ejendomsselskabet Hjulmagervej 58 A/S Ejendomsselskabet Maren Poppes Gaard Emidan A/S

Name	Position	Other Positions
		Fan Milk International A/S Fonden Musikkens Hus Investeringsforeningen Small Cap Danmark Global Car Sourcing ApS JMI Investering A/S JMI Projekt A/S Marius A/S OKF Holding A/S Oppellund II A/S PL Holding Aalborg A/S PL Invest Aalborg A/S Porteføljeselskab A/S Rejser A/S Sjællandske Ejendomme A/S Skandia Kalk International Trading A/S Small Cap Danmark A/S TK Development A/S Toppenberg Maskinfabrik A/S Wahlberg VVS A/S
Jannie Skovsen	<i>Employee-elected member of the Supervisory Board</i>	Spar Nord Bank A/S, workplace representative
Jan Høholt Jensen	<i>Employee-elected member of the Supervisory Board</i>	Spar Nord Bank A/S, workplace representative
Ole Skov	<i>Employee-elected member of the Supervisory Board</i>	Spar Nord Bank A/S, senior workplace representative

### The Executive Board

Members of the Executive Board are appointed by the Supervisory Board to attend to the day-to-day management of company affairs. The terms of employment of each member of the Executive Board are agreed between the Executive Board and the Supervisory Board.

As at the date of this Prospectus, the Bank's Executive Board comprises:

Name	Position	Other Positions
Lasse Nyby	<i>Chief Executive Officer</i>	Chairman of the Supervisory Board: CEO of Spar Nord Bank A/S since 2000. Member of the Executive Board since 1995.  Chairman of the Supervisory Board: FSP Pension Regionale Bankers Forening JSNFA Holding A/S Advizer ApS Finans Nord A/S Erhvervsinvest Nord A/S Spar Nord Ejendomsselskab A/S  Member of the Supervisory Board:  Nykredit Holding A/S PRAS A/S

Name	Position	Other Positions
John Lundsgaard	<i>Managing Director</i>	Finansrådet
		Vækst-Invest Nordjylland A/S
		Finans Nord Easyfleet A/S
		SN Finans Nord AB
John Lundsgaard	<i>Managing Director</i>	Senior Executive Vice President of Spar Nord Bank A/S 1995-2000.
		Member of the Executive Board since 2000.
		Chairman of the Supervisory Board: Skandinavisk Data Center A/S Nordisk Finans IT A/S Komplementarselskabet NFIT A/S Factor Insurance Brokers A/S Høgsberg Assurance Services A/S
		Member of the Supervisory Board: Ietpension holding A/S Ietpension IT A/S Ietpension Livs-og pensions forsikringsselskab A/S Spar Nord Ejendomsselskab A/S
Lars Møller	<i>Managing Director</i>	Member of the Executive Board since 2000
		Senior Executive Vice President of Spar Nord Bank A/S 1997-2000.
		Chairman of the Supervisory Board: BI Asset Management BI Holding A/S BI Management A/S
		Member of the Supervisory Board: BI Technology A/S DLR Kredit A/S Erhvervsinvest Nord A/S Spar Nord Ejendomsselskab A/S

The business address of each of the persons listed above is Skelagervej 15, DK-9000 Aalborg.

There are no potential conflicts of interest between the private interests or other duties of the Bank's Supervisory Board and Executive Board and the duties of such persons to the Bank.

## TAXATION

### Danish Taxation

*The following is a summary description of the taxation in the Kingdom of Denmark of the Notes according to the Danish tax laws in force as of the date of this Offering Circular 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. The tax considerations for Danish resident investors of requiring, holding or disposing the Notes depend on the investor's tax status and the specific terms applicable to every single emission. Potential investors are in all circumstances strongly recommended to contact their own tax advisers to clarify the individual consequences of the investment, holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of the purchase, holding or disposal of the Notes.*

#### *Taxation at source*

Under existing 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 consolidated Act No. 1376 of 7 December 2010, as amended. This will not have any impact on holders of Notes who are not in a relationship whereby they control, or are controlled by, the Issuer, or where the holders of the Notes and the Issuer are not controlled by the same group of shareholders.

#### *Resident holders of Notes*

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 act on taxation of debt, debt claims and financial contracts ("Kursgevinstloven"). Gains and losses on Notes held by corporate entities are generally taxed in accordance with a mark-to-market principle ("lagerprincippet"), i.e. on an unrealised basis. Gains and losses on Notes held by individuals are generally taxed on a realised basis and if the annual gains or losses do not exceed DKK 2,000, the gains or losses will be exempt from taxation.

Pension funds and other entities governed by the Danish act on taxation of pension yield ("Pensionsafkastbeskatningsloven") would, irrespective of realisation, be taxed on annual value increase or decrease of the Notes according to a mark-to-market principle ("lagerprincippet") as specifically laid down in the act.

#### *Non-resident holders of Notes*

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident holders of Notes 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 holders of Notes 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.

## **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (the **Programme Agreement**) dated 31 March 2011, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

### Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular, as completed by the final terms in relation thereto, to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has

subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the issuer has consented in writing to its use for the purpose of that Non-exempt offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, of the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

#### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Kingdom of 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 Notes directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Consolidated Danish Act no. 959 of 11 August 2010 on Trading in Securities, as amended and Executive Orders issued thereunder and in compliance with Executive Order 964 of 30 September 2009 issued pursuant to the Financial Business Act.

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

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

## GENERAL INFORMATION

### Authorisation

The update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 19 December 2007 and 12 March 2010.

### Listing of Notes

The admission of Notes (other than VP Systems Notes) to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or about 5 April 2011.

### Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London:

- (a) the constitutional documents (with an English translation thereof) of the Issuer;
- (b) the most recently published audited annual reports of the Issuer in respect of the financial years ended 31 December 2009 and 2010 (with an English translation thereof), including in each case consolidated annual financial statements, statements of the supervisory and executive boards and unqualified Independent Auditor's Reports with no Emphasis' of Matter. The Issuer currently prepares audited consolidated financial statements on an annual basis;
- (c) the most recently published unaudited interim consolidated financial statements (if any) of the Issuer (with an English translation thereof), including any audit or review reports prepared in connection therewith. The Issuer currently prepares unaudited consolidated interim financial statements on a quarterly basis;
- (d) the Programme Agreement, the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Offering Circular;
- (f) any future offering circulars, prospectuses, information memoranda and supplements, including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity), to this Offering Circular and any other documents incorporated herein or therein by reference; and
- (g) in the case of each issue of Notes admitted to trading on the London Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

### Clearing Systems

The Notes have been accepted for clearance through VP or VP LUX (in the case of VP Systems Notes), Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and International Securities Identification Number (**ISIN**) for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system (including the VP and the VP LUX), the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855

Luxembourg, the address of VP is Helgehøj Allé 61, PO Box 20, DK-2630 Taastrup Denmark and the address of VP LUX is 43, avenue Monterey L-2163 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

#### **Conditions for Determining Price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

#### **Significant or Material Change**

There has been no significant change in the financial position of the Group since 31 December 2010 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2010.

#### **Litigation**

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

#### **Auditors**

KPMG Statsautoriseret Revisionspartnerselskab audited the Issuer's annual report for the financial years ended 31 December 2009 and the consolidated financial statements for the financial year ended 31 December 2010, respectively, in accordance with Danish Standards on Auditing. The audited annual reports of the Issuer in respect of the financial years ended 31 December 2009 and the consolidated financial statements for the financial year ended 31 December 2010 include in each case unqualified Independent Auditors' Reports with no Emphasis of Matter. The auditors of the Issuer have no material interest in the Issuer.

#### **Post-issuance Information**

Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Note.

#### **Dealers Transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

#### **ISSUER**

##### **Spar Nord Bank A/S**

Skelagervej 15  
DK - 9000  
Aalborg  
Denmark

#### **PRINCIPAL PAYING AGENT**

##### **The Bank of New York Mellon, London Branch**

One Canada Square  
London  
E14 5AL

#### **REGISTRAR**

##### **The Bank of New York Mellon (Luxembourg)**

###### **S.A.**

Vertigo Building - Polaris  
2-4 rue Eugène Ruppert  
L-2453  
Luxembourg

#### **PAYING AND TRANSFER AGENTS**

##### **The Bank of New York Mellon, London Branch**

One Canada Square  
London  
E14 5AL

#### **ISSUING AND VP SYSTEMS AGENT**

##### **Spar Nord Bank A/S**

Skelagervej 15  
DK - 9000  
Aalborg  
Denmark

#### **LEGAL ADVISERS**

*To the Issuer as to Danish law*

##### **Gorrissen Federspiel**

H.C. Andersens Boulevard 12  
1553 Copenhagen V  
Denmark

*To the Dealers as to English law*

##### **Allen & Overy LLP**

One Bishops Square  
London E1 6AD

#### **AUDITORS**

*Of the Issuer*

##### **KPMG**

##### **Statsautoriseret Revisionspartnerselskab**

Borups Allé 177  
PO Box 250  
2000 Frederiksberg  
Denmark

#### **DEALERS**

##### **Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London  
E14 4BB

##### **Danske Bank A/S**

2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

##### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London  
EC2N 2DB

##### **J.P. Morgan Securities Ltd.**

125 London Wall  
London  
EC2Y 5AJ

##### **The Royal Bank of Scotland plc**

135 Bishopsgate  
London  
EC2M 3UR