

SUPPLEMENTARY BASE PROSPECTUS DATED 9 FEBRUARY 2018



SPAREBANKEN SØR BOLIGKREDITT AS

(incorporated with limited liability in Norway)

€4,000,000,000

Euro Medium Term Covered Note Programme

This Supplementary Base Prospectus (the **Supplement**) to the Base Prospectus dated 30 June 2017 (the **Base Prospectus**), which comprises a base prospectus, is prepared in connection with the €4,000,000,000 Euro Medium Term Covered Note Programme established by Sparebanken Sør Boligkreditt AS (the **Issuer**). This Supplement constitutes a supplementary prospectus for the purposes of Article 16 of Directive 2003/71/EC as amended (the **Prospectus Directive**) as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005 and is prepared in order to update the Base Prospectus. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

This Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

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

Purpose of this Supplement

The purpose of this Supplement is: (a) to incorporate by reference the interim unaudited financial statements of the Issuer for the twelve-month period ended 31 December 2017 which are contained in the document entitled “Quarter 4 2017 (Unaudited)” (the **Q4 2017 Report**); (b) to include a new “Significant or Material Change” statement; and (c) to add certain items relating to Directive 2014/65/EU (as amended, **MiFID II**) into the Base Prospectus, including in the form of Final Terms.

Q4 2017 Report

On 8 February 2018, the Issuer published the Q4 2017 Report. The Q4 2017 Report has been filed with the Central Bank of Ireland and, by virtue of this Supplement, the interim unaudited financial statements of the Issuer for the twelve-month period ended 31 December 2017 which are contained in the Q4 2017 Report are incorporated in, and form part of, the Base Prospectus.

The Q4 2017 Report is available on the website of the Issuer at <https://www.sor.no/globalassets/financial-reporting/2017q4-report-sparebanken-sor-boligkreditt.pdf>.

Copies of documents incorporated by reference in the Base Prospectus 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.

Significant or Material Change

The paragraph under the heading “Significant or Material Change” on page 88 of the Base Prospectus shall be deemed deleted and replaced with the following:

“There has been no significant change in the financial or trading position of the Issuer since 31 December 2017 and no material adverse change in the prospects of the Issuer since 31 December 2016.”

MiFID II Product Governance and Target Market

The following information shall be deemed to be inserted before the paragraph entitled “**IMPORTANT - EUROPEAN ECONOMIC AREA RETAIL INVESTORS**” on page 4 of the Base Prospectus:

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

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

The following legends shall be deemed to be inserted before the paragraph entitled “**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**” on page 24 of the Base Prospectus:

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

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

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of any Notes or any

change in the condition of the Issuer which is material in the context of the Programme or the issue of any Notes since the publication of the Base Prospectus.