

Føroya Banki

P/F FØROYA BANKI

(Incorporated as a public limited liability company (Fo: partafelag) on the Faroe Islands)

PROSPECTUS REGARDING THE ADMISSION TO TRADING OF SEK 350,000,000 Floating Rate Senior Non-Preferred Notes

This prospectus (the “**Prospectus**”) has been prepared by P/F Føroya Banki, Registration No. 10 with *Skráseting Føroya*, LEI No. 5299005W3ZSR35ZYJH59 (“**Føroya Banki**” or the “**Issuer**”, and together with its direct and indirect subsidiaries and branches, unless otherwise indicated by the context, the “**Føroya Banki Group**” or the “**Group**”), for the admittance to trading and listing on the regulated market of Nasdaq Copenhagen A/S (“**Nasdaq Copenhagen**”) of the SEK 350,000,000 Floating Rate Senior Non-Preferred Notes (the “**Notes**”) issued on 22 January 2026 (the “**Issue Date**”) in accordance with the terms and conditions of the Notes (see the section “*Terms and Conditions of the Notes*”). An application has been made for the admission of the Notes to trading and listing on Nasdaq Copenhagen. The Issuer expects the first day of trading of the Notes on Nasdaq Copenhagen to be 20 May 2026.

The International Securities Identification Number (“**ISIN**”) for the Notes is DK0030564497. The common code for the Notes is 328441306. The Financial Instrument Short Name (“**FISN**”) for the Notes is P F FOEROYA BA/3.96/ SEK SNP 2032. Classification of Financial Instruments Code (“**CFI**”) for the Notes is DBVUGB.

Unless otherwise defined herein, capitalised terms used in this Prospectus shall have the meaning given to them in the section “*Terms and Conditions of the Notes*” (the “**Terms and Conditions**”). Any reference to a numbered “*Clause*” is to the correspondingly numbered provision of the Terms and Condition.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their Outstanding Principal Amount on 22 January 2032 (the “**Maturity Date**”). The Notes bear interest on their Outstanding Principal Amount at a floating rate from (and including) the Issue Date. The amount of interest payable on each Interest Payment Date (each 22 January, 22 April, 22 July and 22 October) will be determined as the sum of (a) the STIBOR Rate and (b) the Margin.

The Notes constitute Non-Preferred Senior Obligations of the Issuer. As set out in the Terms and Conditions, the Notes constitute direct and unsecured debt obligations of the Issuer and will rank as such as further set out in Clause 7 (*Status of the Notes*) of the Terms and Conditions.

The Notes are issued in uncertificated and dematerialized form through VP Securities A/S (branded as Euronext Securities Copenhagen) (“**ES-CPH**”). The address of ES-CPH is Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark. Nordea Danmark, Filial af Nordea Bank Abp, Finland performs the tasks of the Paying Agent and Issuing Agent in respect of the Notes and as further set out in the Terms and Conditions. Legal title to the Notes will pass by electronic registration in the book entry system and register maintained by ES-CPH in accordance with the Danish Capital Markets Act, Executive Orders issued pursuant thereto and the rules and procedures of ES-CPH from time to time.

The Issuer has been rated A3 (long term issuer rating) with a baseline credit assessment of baa2 by Moody’s Investor Service (Nordics) AB (“**Moody’s**”). For the purposes of Regulation (EC) no. 1060/2009 on credit rating agencies (as amended) (the “**CRA Regulation**”), the credit ratings included or referred to in this Prospectus have been issued by Moody’s. Moody’s is established in the European Economic Area (the “**EEA**”) and is registered under the CRA Regulation. The Notes are unrated. A rating is not a recommendation to buy, sell or hold securities, and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

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

Arranger

Nordea Bank Abp

Dated 19 May 2026

IMPORTANT INFORMATION

This Prospectus is a prospectus in respect of the Notes for the purposes of Article 6 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and for the purposes of giving information with regard to the Issuer and its Group and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. The Issuer has obtained all necessary consent, approvals and authorisations in Denmark in connection with the issue and performance of the Notes. This Prospectus has been approved and registered by the Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*) (the “**Danish FSA**”) pursuant to the Prospectus Regulation and the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 (the “**Delegated Prospectus Regulation**”) and the Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing the Prospectus Regulation with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, as amended.

The Issuer is responsible for the information in this Prospectus. To the best knowledge of the Issuer, the information contained within this Prospect is in accordance with the facts and does not omit anything likely to affect the import of any information. Where information has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Third-party information contained in this Prospectus has been sourced from the Faroese Economic Council, which is identified where such information is used. This Prospectus is to be read in conjunction with all documents which are deemed incorporated herein by reference (see the section “*Documents Incorporated by Reference*”). Other than in relation to the documents incorporated herein by reference, information on the websites to which this Prospectus refer do not form part of or is deemed incorporated into this Prospectus.

Approval and registration by the Danish FSA do not constitute a guarantee of the information contained in this Prospectus. The Prospectus meets the standards contained in the Prospectus Regulation regarding completeness, comprehensibility and consistency.

To the fullest extent permitted by law, Nordea Bank Abp, with its registered address at Satamaradankatu 5, FI-00020 Nordea, Helsinki, Finland (the “**Arranger**”) does not accept any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Arranger on its behalf in connection with the Issuer or the issue and admittance to trading and official listing of the Notes. The Arranger accordingly disclaims any and all liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

This Prospectus has been prepared solely for the purpose of admitting the Notes to trading on Nasdaq Copenhagen, a regulated market. This Prospectus does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any of the Notes in any jurisdiction to any person to whom it would be unlawful to make such an offer in such a jurisdiction. The distribution of this Prospectus may be restricted by law in certain jurisdictions. Accordingly, this Prospectus may not be distributed any jurisdiction where such distribution requires additional prospectus, registration or is contrary to the rules and regulations in such jurisdiction. Persons into whose possession this Prospectus or Notes come must inform themselves about and observe such restrictions. In particular, distribution of this Prospectus and the Notes is restricted in the United States, the EEA and the United Kingdom.

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

The Notes may not be a suitable investment for all investors and each potential investor must determine the suitability of that investment in light of its own circumstances. Particularly 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 Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation,

an investment in the Notes and the impact such investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the 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.

All references in this document to “**DKK**” refer to Danish Krone, references to “**SEK**” refer to Swedish Krona and references to “**EUR**” refer to Euro.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

This Prospectus has been prepared in English only and is governed by Danish law. The courts of Denmark have jurisdiction over any disputes concerning or related to the contents of this Prospectus.

EU BENCHMARK REGULATION

Amounts payable under the Notes are calculated by reference to STIBOR which is provided by the Swedish Financial Benchmark Facility AB. As at the date of this Prospectus, the Swedish Financial Benchmark Facility AB appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the “**Benchmark Regulation**”).

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

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

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a “retail client”, as defined in point (11) of Article 4(1) of MiFID II; (ii) a “customer” within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a “professional client” as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “qualified investor” as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the “**EU PRIIPs Regulation**”) for offering of selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

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

The Issuer is incorporated on the Faroe Islands. If proceedings with respect to the liquidation or bankruptcy of the Issuer should occur, the Noteholders would be required to pursue their claims on the Notes in proceedings with respect to the Issuer on the Faroe Islands. To the extent that the relevant Noteholders are entitled to any recovery with respect to such Notes in any such Faroese bankruptcy proceedings, such Noteholders would be entitled to a recovery in Danish Kroner.

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1. Responsibility Statement

1.1 The Issuer's Responsibility

P/F Føroya Banki, Oknarvegur 5, FO-110 Tórshavn, Faroe Islands, is responsible for this Prospectus in accordance with Danish law.

1.2 Statement

We hereby declare as the persons responsible for this Prospectus on behalf of Føroya Banki in our capacity as members of the Board of Directors and the Executive Management of Føroya Banki that, to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

We furthermore declare that this Prospectus has been approved by the Danish FSA as competent authority under the Prospectus Regulation. The Danish FSA only approves this Prospectus as meeting standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of Føroya Banki that is the subject of this Prospectus or be considered as an endorsement of the quality of the Notes that are the subject of this Prospectus. Prospective investors should make their own assessment as to the suitability of investing in the Notes.

P/F Føroya Banki, 19 May 2026

1.3 Board of Directors

Birger Durhuus
Chairman

Annfinn Vitalis Hansen
Deputy chairman

Tom Ahrenst
Board member

Árni Tór Rasmussen
Board member

Kristian Reinert Davidsen
Board member

Marjun Hanusardóttir
Board member

Kenneth M. Samuelsen
Board member

Oliver Granhøj
Board member

Svend Jacobsen
Board member

1.4 Executive Management

Turið F. Arge
Chief Executive Officer

2. Risk Factors

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

Accordingly, prospective investors should consider and review this Prospectus carefully in its entirety and consider all information included in this Prospectus, including any information or material incorporated by reference and including the risks described below, before they decide to invest in the Notes.

The risk factors are grouped in three main sections. The first section covers risk factors which may affect the Issuer's ability to fulfil its obligations under the Notes. The second section covers risk factors which the Issuer believes may be material in relation to the structure of the Notes. The third section covers risk factors which the Issuer believes may be material for the purpose of assessing the market risks which may affect the Issuer and/or the Notes.

The material risks, as currently assessed by the Issuer, taking into account (i) the expected magnitude of their negative impact on the Issuer and/or the Notes and (ii) the probability of their occurrence, are listed in a manner that is consistent with the assessment of materiality in the respective risk factor categories. Where it has been assessed not to be possible to make an accurate assessment of the probability of the occurrence of a risk factor in these risk factor categories, the probability of the occurrence of such risk factor has not been specified in respect of such risk factor.

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

2.1 Risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes

2.1.1 *Risks related to the general economic and geopolitical conditions on the Faroe Islands, Greenland and internationally*

The business activities and performance of Group are dependent on the level of banking, finance and financial services required by its customers. As the Group currently conducts the majority of its business on the Faroe Islands, where its market share on the Faroe lending and deposits market is approximately 40 per cent, its performance is influenced by the level and cyclical nature of business activity on the Faroe Islands. This is in turn affected by both domestic and international economic and political events, including military actions, geopolitical conflicts, instability on global commodities and financial markets and epidemics and pandemics. Given the size and relatively non-diversified (compared to larger economies) economy of the Faroe Islands, macroeconomic trends and events that impact one sector of the Faroese economy may indirectly have an adverse impact on the broader Faroese economy and in turn the Group's business.

For example, while the Issuer has no direct or indirect business in either Ukraine or Russia, a notable share of total Faroese exports has historically been directed to Russia, primarily consisting of various fish products, and Faroese fishing vessels have had certain access to fisheries in Russian territorial waters. The sanctions imposed on Russia, as well as Russia's actual or potential countermeasures – including restrictions on imports from or fisheries access for the Faroe Islands – may negatively

affect the ability of one or more of the Issuer's corporate customers to meet their financial obligations towards the Issuer.

Moreover, escalating tensions in the Middle East, including the conflict in Gaza and tensions between Israel, Iran and the United States, continue to contribute to volatility in global energy prices, supply chains and financial markets. Although the Issuer has no business in the Middle East, the Faroese and Greenlandic economies are small open economies that are heavily dependent on international trade, and disruptions to global supply chains and energy prices can therefore have a pronounced effect on the economic environment in which the Group operates. In particular, the Faroese economy is heavily reliant on the fisheries sector – in which the Group as at 31 December 2025 has credit exposure of approximately DKK 620 million, representing 4.8 per cent of total exposures – as well as on maritime transport and manufacturing, sectors which are sensitive to increases in fuel and energy costs driven by geopolitical instability. Increased energy costs may adversely affect the operating costs and debt-servicing capacity of the Group's customers in these sectors, potentially leading to higher impairment charges and credit losses. At this time, however, the broader implications remain difficult to predict.

Monetary policy developments have also influenced the Issuer's operating environment. Danmarks Nationalbank, reflecting monetary policy changes in the euro area, reduced its deposit rate to 1.60 per cent in June 2025 after a prolonged period at elevated levels. Interest rates therefore remain higher than pre-2022 levels, and shifts in policy rates, funding costs and market expectations continue to affect financial conditions in the Faroe Islands. Higher interest rate levels have contributed to increased external funding costs for the Issuer.

A future pandemic, epidemic or comparable public health event could result in government-imposed restrictions that negatively affect economic activity across key sectors of the Faroese economy, including fisheries, manufacturing, retail and tourism. Given the Group's material exposure to customers in these sectors, such an event could lead to increased customer financial distress, higher default rates and increased credit impairments, which could have a material adverse effect on the Group's business, financial condition, results of operations and profitability.

The Greenlandic operations contribute approximately 10 per cent to the Group's consolidated revenue. Recent statements from the United States regarding a potential acquisition of Greenland may adversely affect the Issuer's banking activities. Should such statements materialise, they would introduce considerable uncertainty regarding the implementation process, including the timing of any transition, the applicable currency framework, the designation of the financial supervisory authority responsible for regulatory oversight and the legal framework to be applied.

A negative development in the general economic conditions on the Faroe Islands or Greenland, such as a downturn in the economy, an increase in unemployment on the Faroe Islands or Greenland, strikes and lockouts as a result of collective bargaining, reduced personal income levels of the Group's customers, inflationary pressures, borrowers' reduced ability to repay loans, disruptions in global supply chains, or a reduction in the value of housing and other collateral provided to the Group could have a material adverse effect on the Group's business, results of operations, financial position and/or prospects. Such events could cause the Issuer to become unable to pay interest, principal or other amounts on or in connection with the Notes, potentially resulting in a depreciation in the market price of the Notes and investors losing all or part of their investment.

2.1.2 Credit risk related to borrowers, counterparties and customers of the Group

Credit risk related to borrowers, counterparties and customers of the Group is an inherent part of the Group's business. The Group's loan portfolio is its primary source of credit risk, comprising exposures to the private sector (48 per cent), the corporate sector (44 per cent) and the public sector (8 per cent). The Group is subject to single-name concentration risk, as large individual exposures

represent a significant part of the Group's total capital base. A default by one or more of the Group's largest borrowers could have a material adverse effect on the Group's business, results of operations, financial position and/or prospects and could thereby ultimately cause the Issuer to become unable to pay interest, principal or other amounts on or in connection with the Notes.

Credit risk also arises from the Group's settlement and counterparty exposures, including in respect of OTC derivatives, securities financing instruments and currency transactions, where the Group may incur losses if a counterparty fails to meet its obligations. Additional credit risk exposure arises from the Group's credit investments, including senior bonds issued by other financial institutions, as well as from fixed income, equity and other financial instruments to which the Group is exposed.

The Group has significant exposure to the Greenlandic market. The Greenlandic market presents certain additional credit risk considerations compared to the Group's core Faroese market due to greater uncertainty in collateral valuation, particularly for real estate. The Group applies a haircut of 35 per cent for Greenlandic commercial real estate compared to 30 per cent for Faroese commercial real estate, reflecting this increased uncertainty. Furthermore, there are no publicly available statistics illustrating developments in house prices in Greenland, limiting the Group's ability to accurately assess collateral values and monitor market trends. As the Group continues to grow its market share in Greenland through lending to existing and new customers, its exposure to these risks will increase. If the Group's assessment of credit risk in the Greenlandic market proves inadequate, or if property values in Greenland significantly decline, the Group may face increased loan impairments and losses upon realisation of collateral. In addition, the Greenlandic market is characterised by a small, geographically dispersed population and a highly concentrated economic structure with significant reliance on the public sector and a limited number of industries. These factors increase the correlation of credit risk across borrowers and may amplify the impact of adverse economic developments.

The Group's total risk-weighted items amount to DKK 7,732,389,000 as of 31 December 2025. Of this, the risk-weighted items with credit risk amount to DKK 6,423,717,000, the risk-weighted items with market risk amount to DKK 237,353,000 and the risk-weighted items with operational risk amount to DKK 1,071,319,000.

The Group may suffer losses from credit risk in the future, some of which may be material in amount, which could have an adverse effect on the Group's business, results of operations, financial position and/or prospects. As a consequence thereof, the Issuer may become unable to pay interest, principal or other amounts on or in connection with the Notes, potentially resulting in a depreciation in the market price of the Notes and investors losing all or part of their investment.

2.1.3 *Market risk from fluctuations in interest rates, credit spreads, foreign currency exchange rates and equity and commodity prices*

The Group is exposed to market risk through its trading and banking book positions in interest rate products, foreign exchange instruments, equities and commodities. Interest rate risk in the trading book arises primarily from bonds and swaps, while interest rate risk in the banking book arises mainly from fixed-rate deposits and lending, monetary policy loans, bonds and the Group's own funding. A significant part of the Group's market risk exposure relates to its bond portfolio, which amounts to approximately DKK 1.1 billion and consists predominantly of fixed-rate inconvertible bonds, including approximately 9 per cent government bonds and 91 per cent mortgage bonds. The book value of this portfolio has in recent years been subject to relatively significant fluctuations.

Any adverse fluctuations in interest rates, credit spreads, foreign currency exchange rates, equity prices or commodity prices could have a material adverse effect on the Group's business, results of operations, financial position and/or prospects. In turn, such developments may cause the Issuer to become unable to pay interest, principal or other amounts on or in connection with the Notes,

potentially resulting in a depreciation in the market price of the Notes and investors losing all or part of their investment.

2.1.4 Funding and liquidity risk related to funding costs, liquidity and refinancing risk, deposit withdrawal and access to funds

The Group is exposed to liquidity and refinancing risk in connection with its deposits, senior debt, covered bonds and other liabilities. Liquidity risk for the Group arises if funding costs increase significantly or if a lack of funding prevents the Group from fulfilling its business model or meeting its payment obligations. The Group may also face refinancing risk if it is unable to refinance maturing deposits, senior debt, covered bonds or other liabilities, or if such refinancing is only available at costs that adversely affect the Group's net interest income. Liquidity and refinancing risk also arise from maturity mismatches in the Group's balance sheet, as the average duration of the Issuer's loan portfolio is generally longer than the average duration of the Issuer's funding sources.

As a retail bank, the Issuer receives a high portion of its funding from customer deposits, and therefore the Group is also subject to the risk that its depositors could withdraw their funds at a faster rate than the rate at which the Group's borrowers repay their loans, thus causing liquidity strains for the Group.

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

2.1.5 Risks related to an increase in the Issuer's and/or the Group's capital requirements, leverage ratio requirements, net stable funding ratio requirement, liquidity requirements and/or risk exposure amount (REA)

The Issuer and the Group are subject to extensive prudential regulation under the CRD/CRR as brought into force on the Faroe Islands, including requirements relating to capital adequacy, leverage, liquidity, stable funding and minimum requirement for own funds and eligible liabilities ("MREL"). For a description of the applicable regulatory framework and the Issuer's current capital position, see sections 6.10 (*Capital and solvency need*) and 6.11 (*Liquidity*) below.

Compliance with these requirements generates administrative costs and may result in lost potential revenue, for example where capital must be retained for buffer purposes rather than deployed through lending or investment.

The calculation of applicable capital requirements depends on a range of regulatory assumptions and methodologies that may change over time and may not be readily observable to investors. Changes in regulatory rules, supervisory practices or buffer levels, including those introduced under the EU Banking Reform Package (Directive 2014/59 of the European Parliament and of the Council (CRD VI) and Regulation (EU) 2015/2365 of the European Parliament and of the Council (CRR III)) or through binding technical standards and guidelines issued by the European Banking Authority and the Danish FSA, may affect the calculation of the Issuer's capital requirements in ways that are not

always predictable. In addition, the Issuer may be subject to supervisory stress testing assessing its resilience to adverse economic or financial scenarios, the results of which may lead to increased capital or liquidity requirements or other supervisory measures. Such changes could increase the Issuer's regulatory capital or liquidity needs or increase its risk exposure amount ("**REA**"), which may require the Issuer to raise additional capital, retain earnings or adjust its balance sheet, and may exacerbate the risk that discretionary payments, including interest on the Notes, are cancelled.

The relationship between any of the aforementioned or future incremental additional own funds requirements and the combined buffer requirement is complex and depends on various factors. If the Issuer's capital levels fall below the combined buffer requirement, it may lead to severe adverse consequences for the Issuer. For example, if the regulatory capital requirements, leverage ratio requirements, liquidity restrictions or ratios applied to the Issuer and/or the Group are increased in the future, any failure of the Issuer and/or the Group to maintain such increased capital and liquidity ratios could result in administrative actions or sanctions, which could have a material adverse effect on the Group's business, results of operations, financial position and/or prospects and could thereby ultimately cause the Issuer to become unable to pay interest, principal or other amounts on or in connection with the Notes, which is likely to cause the price of the Notes to depreciate.

2.1.6 Risks related to the operations, business and reputation of the Group

The Group is exposed to the risk of losses arising from failures in internal processes, human error, system failures, or external events, including legal risks and cyber-attacks. Operational risk also includes model risk, where losses arise from errors in the development, implementation, or use of internal models used in decision-making. In addition, the Group is exposed to business risk, including strategic and reputational risk, arising from changes in external circumstances or events that may adversely affect the Group's reputation, operational performance or earnings. Such risks may result in financial losses, operational disruption, regulatory scrutiny or reputational damage.

The Group's business and other activities (including those performed by the Issuer) are increasingly dependent on highly advanced IT systems. The Issuer also relies on Netcompany Banking Services as its main external IT provider for the delivery of core IT services across its operations (see also section 6.4 (*Business partners*) below). The Group may be the target of malicious hacking resulting in the shutdown of individual or all of its IT systems, and any disruption at the level of Netcompany Banking Services could similarly affect the Group's ability to operate and service its customers. The consequences hereof could include financial losses, business disruption, inability to service payments on time, loss of data or other sensitive information etc.

The Group also operates a non-life insurance subsidiary, P/F Trygd ("**Trygd**"), which is exposed to insurance-specific risks. Climate-related events, including increased frequency or severity of floods, storms and other weather-related incidents, may result in higher claims volumes and larger individual payouts than historically experienced or modelled. Given the geographic concentration of Trygd's operations, such events could have a disproportionate effect on claims exposure. Additionally, and although Trygd has organised a reinsurance programme which ensures that large natural disasters and significant individual claims do not compromise Trygd's ability to meet its obligations, if claims develop adversely compared to reserving assumptions, or if catastrophic events exceed reinsurance coverage, the Group may be required to strengthen reserves or absorb losses that could impact the Group's capital position and profitability.

Failure by the Group to identify and manage these risks could have a material adverse effect on the Group's business, results of operations, financial position and/or prospects and could thereby ultimately cause the Issuer to become unable to pay interest, principal or other amounts on or in connection with the Notes.

2.1.7 *Risks relating to the Group becoming involved in supervisory actions, litigation and regulatory investigations*

The Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks. As a result, the Group is and may become involved in various disputes and legal proceedings on the Faroe Islands and other jurisdictions, including litigation and regulatory investigations. Further, the Group's banking and other operations, like those of other credit institutions, have been the subject of regulatory scrutiny from time to time. For example, the Group is subject to applicable anti-money laundering and terrorist financing laws. The Danish FSA conducts on-going inspections from time to time of the Group's compliance with anti-money laundering and terrorist financing laws, which can potentially lead to supervisory actions. For example, following an ordinary inspection in 2024, the Danish FSA issued four supervisory orders to the Issuer and increased its assessment of the Issuer's solvency need by 0.2 percentage points to 10.5 per cent. Such supervisory actions and any other disputes and legal proceedings are subject to many uncertainties, and their outcomes are often difficult to predict, particularly in the earlier stages of a case or investigation. Therefore, if the Group become involved in supervisory actions, litigation and regulatory investigations it could have an adverse effect on Group's business, results of operations, financial position and/or prospects and could thereby ultimately cause the Issuer to become unable to pay interest, principal or other amounts on or in connection with the Notes.

2.2 *Risk factors relating to the structure of the Notes*

Set out below are various risk factors which relate to the Notes and the structure of the Notes, including their designation as "Non-Preferred Senior Obligations".

2.2.1 *The Notes constitute senior non-preferred debt of the Issuer*

The Notes constitute direct and unsecured debt obligations of the Issuer and rank as described in Clause 7 (*Status of the Notes*) of the Terms and Conditions.

The Notes constitute Non-Preferred Senior Obligations of the Issuer. Non-Preferred Senior Obligations are unsecured liabilities of the Issuer which rank in accordance with Section 13(3) of the Danish Recovery and Resolution Act.

As described in Clause 7 (*Status of the Notes*) of the Terms and Conditions, the Non-Preferred Senior Notes will rank junior to present or future claims of (a) depositors of the Issuer and (b) unsubordinated creditors of the Issuer pursuant to section 97 of the Danish Bankruptcy Act, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

The Issuer may issue other obligations or instruments that rank or are expressed to rank senior to the Notes or pari passu with the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer. In the event of a liquidation or bankruptcy of the Issuer, the Issuer will be required to pay its depositors and unsubordinated creditors of the Issuer pursuant to Section 97 of the Danish Bankruptcy Act in full before it can make any payments on the Notes. If such event occurs, the Issuer may not have enough assets remaining after these payments are made to pay amounts due under the Notes. In addition, in the event of a liquidation or bankruptcy of the Issuer, to the extent the Issuer has assets remaining after paying its creditors who rank senior to the Notes, payments relating to other obligations or instruments of the Issuer that rank or are expressed to rank pari passu with the Notes may, if there are insufficient assets to satisfy the claims of all of the Issuer's pari passu creditors, further reduce the assets available to pay amounts due under the Notes on a liquidation or bankruptcy of the Issuer. Consequently, in the event of a liquidation or bankruptcy

of the Issuer, the Noteholders may not receive payment in full of interest, principal or other amounts due under the Notes.

2.2.2 *Risks related to the exercise of resolution powers under the BRRD*

The BRRD as brought into force on the Faroe Islands contains various resolution powers which may be used alone or in combination without the consent of the credit institution's creditors, including the Noteholders, where the relevant resolution authority considers that (a) a credit institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such credit institution within a reasonable timeframe, and (c) a resolution action is in the public interest, including (i) the sale of business tool, (ii) the bridge institution tool, (iii) the asset separation tool and (iv) bail-in tool. See section 6.12.1 (*Resolution tools and powers under the BRRD*) below for further details on the applicable resolution framework.

The exercise of any power under the BRRD or any suggestion of such exercise could have a material adverse effect on the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. Although the BRRD contains certain limited safeguards for creditors in specific circumstances, including in the case of senior creditors a safeguard that aims to ensure that they do not incur greater losses than they would have incurred had the relevant entity been wound up under normal insolvency proceedings, the Issuer is not in a position to state whether these safeguards will be effective if such powers are exercised. The determination that any power under the BRRD shall be exercised or that all or a part of the principal amount of the Notes will be subject to bail-in is likely to be inherently unpredictable and depends on a number of factors which are outside of the Issuer's control.

The application of the general bail-in tool with respect to the Notes may result in the write-down or cancellation of all, or a portion of, the principal amount of, or outstanding amount payable in respect of, and/or interest on, the Notes and/or the conversion of all, or a portion, of the principal amount of, or outstanding amount payable in respect of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes to give effect to such application of the general bail-in tool. Accordingly, potential investors in the Notes should consider the risk that the general bail-in tool may be applied in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security than the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the relevant resolution authority may exercise its authority to apply the general bail-in tool without providing any advance notice to the Noteholders. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of the relevant Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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

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

To the extent that a benchmark used in connection with the Notes is subject to the Benchmark Regulation, this could have a material impact on the Notes, in particular, if the methodology or other

terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark, in turn affecting the interest payable in respect of the Notes.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

2.2.4 *Future discontinuance of certain benchmark rates (for example, STIBOR) may adversely affect the value of Notes which are linked to or which reference any such benchmark rate*

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

If the circumstances described in the preceding paragraph occur and the STIBOR Rate Replacement is specified in the relevant Clauses as being applicable, such fallback arrangements will include the possibility that:

- (i) the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a Successor STIBOR Rate or an Alternative STIBOR Rate (as applicable) determined by the Issuer (following consultation with an Independent Advisor (if any)); and
- (ii) such Successor STIBOR Rate or Alternative STIBOR Rate (as applicable) may be adjusted (if required) by the Issuer (following consultation with an Independent Advisor (if any)) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the STIBOR Rate with the relevant Successor STIBOR Rate or Alternative STIBOR Rate (as applicable),

in any such case, acting in good faith and in a commercially reasonable manner as described more fully in the Terms and Conditions.

In addition, the Issuer (following consultation with an Independent Adviser (if any)) may determine (acting in good faith and in a commercially reasonable manner) that other amendments to the Terms and Conditions are necessary to follow market practice in relation to the relevant Successor STIBOR Rate or Alternative STIBOR Rate (as applicable) and to ensure its proper operation of the relevant Successor STIBOR Rate or Alternative STIBOR Rate (as applicable).

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

If, following the occurrence of a STIBOR Rate Event, no Successor STIBOR Rate or Alternative STIBOR Rate is determined, the ultimate fallback for determining the rate of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for the Notes based on the rate which was last observed on the relevant screen page for the purposes of determining the rate of interest in respect of an Interest Period. In addition, due to the uncertainty concerning the availability of Successor STIBOR Rates and Alternative STIBOR Rates, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the Issuer's ability to meet its obligations under the relevant Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the relevant Notes. Investors should note that the Issuer will have discretion to adjust the relevant Successor STIBOR Rate or Alternative STIBOR Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences which, depending on the particular circumstances of each Noteholder, may or may not be favourable to each Noteholder.

In addition, potential investors should also note that no Successor STIBOR Rate or Alternative STIBOR Rate will be adopted, and no amendments to the Terms and Conditions will be made, if the Issuer determines that doing so could reasonably be expected to:

- (iii) prejudice the eligibility of the Notes for the purposes of the debt buffer requirement of the Issuer and/or the MREL requirement (if applicable) of the Issuer; and/or
- (iv) result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the Notes, rather than the Maturity Date.

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

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

2.3.1 Credit rating risks related to the Issuer

One or more independent credit rating agencies may assign credit ratings to the Issuer. At the date of this Prospectus, the Issuer has been rated A3 (long term issuer rating) with a baseline credit assessment of baa2 by Moody's. The Issuer's credit ratings are important to its business and can help attract new investors. In addition, the a "good" rating may enable the Issuer to obtain better terms when raising future capital. Any relevant rating agency, including Moody's, may downgrade the ratings of the Issuer or the ratings of the Issuer's debt instruments, including the Notes (however, the Notes are unrated as of the date of this Prospectus) either as a result of the financial position of the Group or changes to applicable rating methodologies used by any relevant rating agency. Substantial changes in the Issuer's credit ratings may lead to an increase in overcollateralisation requirements to maintain the existing ratings of the Notes, potentially at a considerable cost of capital, which may have an adverse impact on the Group's business and the Group's ability to pay amounts due under the Notes.

A rating agency's evaluation of the Issuer may also be based on a number of factors not entirely within the control of the Issuer, such as conditions affecting the financial services industry generally. Any reduction in the Issuer's credit ratings or the ratings of its debt instruments, including any unsolicited credit rating, could adversely affect its liquidity and competitive position, undermine confidence in the Issuer and the Group, increase its borrowing costs, limit its access to the capital

markets, or limit the range of counterparties willing to enter into transactions with the Issuer and the Group. Such development could have a material adverse effect on the Issuer and the Group's business, financial situation, results of operations, liquidity and/or prospects and could thereby ultimately cause the Issuer to become unable to pay interest, principal or other amounts on or in connection with the Notes.

The credit rating of the Notes and/or the Issuer or the Group could decline after the date of this Prospectus. This may result in depreciation of the market value of the Notes, causing investors to lose all or part of their investment.

2.3.2 *The secondary market of the Notes*

The Notes may have no established trading market and one may never develop. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If a market does develop, it may not be very liquid and any liquidity in such market could be significantly affected by any purchase and cancellation of the Notes by the Issuer. The Notes will be admitted to trading and official listing on Nasdaq Copenhagen. However, having regard to the volume and features of the Notes, the Issuer is of the opinion that these are not likely to facilitate a liquid market for the Notes.

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. Senior non-preferred notes such as the Notes may have a higher volatility than senior notes and it should further be noted that the volatility and liquidity of a capital instrument compared to that of other capital instruments will be affected by a number of factors, for example, the size and nature of the issuer, the currency of the instrument, the interest rate, the ranking of the capital instrument and whether capital instrument has been structured to meet the investment requirements of limited categories of investors. Illiquidity may have an adverse effect on the market value of the Notes.

2.3.3 *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the SEK. 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 SEK. 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 SEK would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

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

3. Documents incorporated by reference

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

- (i) the sections "Financial statements" and "Statement by the Executive Board and the Board of Directors" of the interim unaudited report of the Føroya Banki Group for the three-month period ended 31 march 2026 which are available on the Issuer's website: <https://www.foroyabanki.com/reports/financial-reports> and this [direct link](#), covering pages 12 through 27 of the Q1 2026 interim report,
- (ii) the sections "Statement and reports" and "Financial statement" of the audited consolidated annual report of the Føroya Banki Group for the financial year ended 31 December 2025 which are available on the Issuer's website: <https://www.foroyabanki.com/reports/financial-reports> and this [direct link](#) covering pages 31 through 107 of the 2025 annual report,
- (iii) the sections "Statement and report" and "Financial statement" of the audited consolidated annual report of the Føroya Banki Group for the financial year ended 31 December 2024 which are available on the Issuer's website: <https://www.foroyabanki.com/reports/financial-reports> and this [direct link](#) covering pages 30 through 107 of the 2024 annual report,
- (iv) the Føroya Banki Group's Risk Management Report for 2025 which is available on the Issuer's website: <https://www.foroyabanki.com/reports/risk-management-reports>.

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

Those parts of the Q1 2026 interim report, the 2025 annual report and the 2024 annual report which are not specifically incorporated by reference into this Prospectus, are either not relevant for investors in the Notes or are covered elsewhere in this Prospectus.

4. Terms and Conditions

Date of Terms and Conditions:	20 January 2026
Issuer:	P/F Føroya Banki
Registration No.:	10 (<i>Skráseting Føroya</i>)
LEI No.:	5299005W3ZSR35ZYJH59
ISIN:	DK0030564497
Issuing Agent:	Nordea Danmark, Filial af Nordea Bank Abp, Finland
Paying Agent:	Nordea Danmark, Filial af Nordea Bank Abp, Finland
Calculation Agent:	Nordea Bank Abp

1. Overview of terms of the Notes

Notes:	Floating Rate Non-Preferred Senior Notes	
Initial Amount:	SEK 350,000,000	Three hundred and fifty million Swedish kronor
Denomination:	SEK 2,000,000	
Minimum settlement amount:	SEK 2,000,000	
Currency:	SEK	
Issue Date:	22 January 2026	
Maturity Date:	22 January 2032	
Redemption Price:	Outstanding Principal Amount, together with accrued interest (if any) thereon	
First Call Date:	22 January 2030	Outstanding Principal Amount, together with accrued interest (if any) thereon
Call:	Interest Payment Date Tax Event MREL Disqualification Event Clean-up redemption (subject to approval, cf. Clause 11.9 (<i>Conditions to redemption etc. prior to the Maturity Date</i>)))	Outstanding Principal Amount, together with accrued interest (if any) thereon
Interest accrual:	From Issue Date	
Interest Rate:	Margin plus STIBOR Rate (3 months).	
Margin:	2.000 per cent. per annum	
Interest Payment Date:	Quarterly on 22 January, 22 April, 22 July and 22 October, commencing on 22 April 2026	
Day count fraction:	Actual/360, Adjusted	
Business Day Convention:	Modified Following Business Day	

2. Introduction

- 2.1 These terms and conditions dated 20 January 2026 (the “**Terms and Conditions**”) relate to the SEK 350,000,000 Floating Rate Non-Preferred Senior Notes (the “**Notes**”) to be issued by P/F Føroya Banki (Business Registration (*Skráseting Føroya*) No. 10 and LEI No. 5299005W3ZSR35ZYJH59) incorporated on the Faroe Islands with its registered address at Oknarvegur 5, FO-110 Tórshavn, Faroe Islands and its telephone number is +298 330330 (the “**Issuer**”).
- 2.2 The Issuer is a public limited liability company (in Faroese: *partafelag*) incorporated under the laws of Faroe Islands. The Issuer is a credit institution (in Danish: *pengeinstitut*) under supervision by the Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*) (the “**Danish FSA**”).
- 2.3 The issue of the Notes was authorised and approved by the Issuer’s board of directors at a meeting held on 17 December 2025.
- 2.4 The Notes will be issued on 22 January 2026 (the “**Issue Date**”) at an issue price of 100.00 per cent.
- 2.5 Nordea Danmark, Filial af Nordea Bank Abp, Finland in its capacity as issuing agent (the “**Issuing Agent**”) will perform the task of registering the Notes in the book entry system of ES-CPH (as defined below).
- 2.6 Nordea Danmark, Filial af Nordea Bank Abp, Finland in its capacity as paying agent (the “**Paying Agent**”) will perform the task of arranging for payment of any amount due under the Notes through ES-CPH (subject to in each case having received the relevant amount from the Issuer) in accordance with these Terms and Conditions.
- 2.7 Nordea Bank Abp in its capacity as calculation agent (the “**Calculation Agent**”) will perform the task of calculating any rate of interest in accordance with these Terms and Conditions.

3. Definitions

In addition to the terms defined above the following expressions have the following meanings in these Terms and Conditions:

“**Additional Amounts**” has the meaning ascribed to it in Clause 12 (*Taxation (Gross up)*).

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

- (a) in the case of a Successor STIBOR Rate, is formally recommended in relation to the replacement of the applicable STIBOR Rate with the relevant Successor STIBOR Rate by any Relevant Nominating Body;
- (b) in the case of a Successor STIBOR Rate for which no recommendation has been made or in the case of an Alternative STIBOR Rate, the Independent Adviser (in consultation with the Issuer) determines is recognised or acknowledged as being in customary usage in Danish and/or international debt capital markets transactions which reference the applicable STIBOR Rate, where such rate has been replaced by the relevant Successor STIBOR Rate or Alternative STIBOR Rate; or

- (c) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) in its discretion, determines (acting in good faith) to be appropriate.

“Alternative STIBOR Rate” means the rate that the Independent Adviser determines has replaced the STIBOR Rate in customary market usage in the relevant debt capital markets for the purposes of determining rates of interest in respect of notes denominated in Swedish Kronor and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the STIBOR Rate.

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

“BRRD” means the Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014, as amended or replaced from time to time, as applicable in relation to the Issuer and/or the Group under the laws of Denmark and the Faroe Islands, as the case may be.

“Business Day” shall mean a day on which banks and ES-CPH are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen and Stockholm.

“Call Date” means the First Call Date and any Interest Payment Date falling thereafter.

“Code” has the meaning ascribed to it in Clause 12.2.

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

“CRD Directive” means the Directive 2013/36/EU of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time, as applicable in relation to the Issuer and/or the Group under the laws of Denmark and the Faroe Islands, as the case may be.

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

“CRR” means the Regulation (EU) 2013/575 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced

from time to time, as applicable in relation to the Issuer and/or the Group under the laws of Denmark and the Faroe Islands, as the case may be.

“Danish Act on Recovery and Resolution of certain Financial Businesses” means the Danish Act on Recovery and Resolution of certain Financial Businesses in force on the Faroe Islands pursuant to the decree no. 1589 of 19 December 2017 and most recently amended by the decree no. 1801 of 28 December 2023, as amended or replaced from time to time.

“Danish Bankruptcy Act” means the Danish Bankruptcy Act in force on the Faroe Islands pursuant to consolidated decree no. 1113 of 14 September 2025, as amended or replaced from time to time.

“Danish Capital Markets Act” means the Danish Securities Trading etc., Act in force on the Faroe Islands pursuant to the decree no. 986 of 11 August 2010, as amended or replaced from time to time, and (if and when made effective on the Faroe Islands) the Danish Capital Markets Act (Consolidated Act no. 652 of 9 June 2025, as amended or replaced from time to time).

“Danish Statutory Loss Absorption Powers” means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Denmark and the Faroe Islands, as the case may be, relating to (i) the BRRD and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified or converted into other Securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

“Enforcement Event” has the meaning as ascribed to it in Clause 13 (*Enforcement Events*).

“ES-CPH” means VP Securities A/S (branded as *Euronext Securities Copenhagen*) (Business Registration (CVR) No. 2159 9336), Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark.

“First Call Date” means the Interest Payment Date falling on or immediately after the fourth anniversary of the Issue Date.

“Group” means the Issuer together with its subsidiaries and other entities, if any, that are consolidated in the Issuer’s calculation of the MREL Requirement on a consolidated level in accordance with the CRD/CRR requirements.

“Independent Adviser” means an independent financial institution of repute in the debt capital markets where the STIBOR Rate is commonly used or other independent financial adviser experienced in the debt capital markets where the STIBOR Rate is commonly used, in each case appointed by the Issuer at its own expense.

“Interest Determination Date” has the meaning as ascribed to it in Clause 8.1.4.

“Interest Payment Date” means each date pursuant to which interest is payable pursuant to Clause 8.1.2.

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

“Margin” has the meaning ascribed to it in Clause (b).

“Maturity Date” means 22 January 2032.

“MREL Disqualification Event” means, in respect of the Notes, the determination by the Issuer that, as a result of:

- (a) the implementation of any Applicable MREL Regulations on or after the Issue Date; or
- (b) a change in any Applicable MREL Regulations becoming effective on or after the Issue Date,

all or part of the Outstanding Principal Amount of the Notes will be excluded from the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer and/or the Group is/are then or, as the case may be, will be subject to such MREL Requirement, provided that an MREL Disqualification Event shall not occur where such exclusion:

- (i) is or will be caused by:
 - (1) the remaining maturity of such Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or
 - (2) any applicable limits on the amount of “eligible liabilities” (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded; and/or
- (ii) was reasonably foreseeable at the Issue Date.

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

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

“Modified Following Business Day Convention” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day.

“Non-Preferred Senior Obligations” means any unsecured liabilities of the Issuer which rank upon an insolvency of the Issuer in accordance with Section 13(3) of the Danish Act on Recovery and Resolution of certain Financial Businesses.

“Noteholders” means a person who is registered in ES-CPH as directly registered owner or nominee holder of a Note.

“Noteholders’ Meeting” means a Noteholders’ meeting held pursuant to Clause 15 (*Noteholders’ Meeting*).

“Outstanding Principal Amount” means, in respect of a Note or the Notes, as the context requires, the outstanding principal amount thereof, as adjusted from time to time for any reduction of the principal amount as required by then current legislation and/or regulations applicable to the Issuer.

“Permission Withdrawal Early Redemption Restriction” has the meaning ascribed to it in Clause 11.9.2.

“Qualifying Non-Preferred Senior Notes” means, at any time, any securities (other than the Notes) issued or guaranteed by the Issuer that:

- (a) contain terms which at such time comply with the then current requirements for “eligible liabilities” (or any equivalent or successor term) provided for in the Applicable MREL Regulations in relation to the relevant MREL Requirement (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the early redemption rights which are included in the Notes);
- (b) carry the same rate of interest from time to time applying to the Notes prior to the relevant substitution or variation pursuant to Clause 11.8 (Substitution and variation);
- (c) have the same currency of payment, denomination, original principal amount and Outstanding Principal Amount as the Notes prior to the relevant substitution or variation pursuant to Clause 11.8 (Substitution and variation);
- (d) have the same Maturity Date and the same Interest Payment Dates as the Notes prior to the relevant substitution or variation pursuant to Clause 11.8 (Substitution and variation);
- (e) have at least the same ranking as the Notes prior to the relevant substitution or variation pursuant to Clause 11.8 (Substitution and variation);
- (f) shall not immediately following the relevant substitution or variation pursuant to Clause 11.8 (Substitution and variation) be subject to an MREL Disqualification Event and/or a Tax Event;
- (g) have terms not otherwise materially less favourable to the Noteholders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered a certificate to that effect signed by authorised signatories of the Issuer to the Issuing Agent (and copies thereof will be available at the Issuing Agent’s specified office during its normal business hours) not less than five (5) Business Days prior to (x) in the case of a substitution of the Notes pursuant to Clause 11.8 (Substitution and variation), the issue date of the relevant securities or (y) in the case of a variation of the Notes pursuant to Clause 11.8 (Substitution and variation), the date such variation becomes effective; and
- (h) if (A) the Notes were listed or admitted to trading on a regulated market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a regulated market or (B) the Notes were listed or admitted to trading on a recognised stock exchange other than a regulated market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a regulated market), in either case as selected by the Issuer.

“Reference Banks” means the principal Swedish office of four major banks engaged in the Swedish interbank market as selected by the Calculation Agent after consultation with the Issuer.

“Relevant Date” means the date on which a payment in respect of the Notes first becomes due, except that, if the full amount of the moneys payable has not been duly received by a Paying Agent on or before the 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 Clause 22 (*Notices*).

“Relevant Nominating Body” means in relation to the STIBOR Rate (or such Successor STIBOR Rate or Alternative STIBOR Rate which has been determined in relation to the STIBOR Rate pursuant to the operation of Clause 8.2):

- (a) the administrator of the reference rate, or any entity under the common control as the administrator of the reference rate;

- (b) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or
- (c) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the reference rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof.

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

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

“Representative Amount” means an amount that is representative for a single transaction in the relevant market at the relevant time.

“Securities” means any securities, including shares, of the Issuer.

“SEK” means the lawful currency of the Kingdom of Sweden.

“STIBOR Rate” has the meaning ascribed to it in Clause (a) or, following the occurrence of a STIBOR Rate Event, the Successor STIBOR Rate or Alternative STIBOR Rate replacing the STIBOR Rate in accordance with Clause 9.

“STIBOR Rate Administrator” means the Swedish Financial Benchmark Facility or any person replacing it as administrator of the STIBOR Rate.

“STIBOR Rate Amendments” has the meaning ascribed to it in Clause 9.3.2.

“STIBOR Rate Determination Date” has the meaning ascribed to it in Clause (a).

“STIBOR Rate Event” means one or several of the following circumstances:

- (a) the STIBOR Rate (for the relevant period) has ceased to exist or ceased to be published for at least five (5) consecutive STIBOR Rate Fixing Business Days as a result of the STIBOR Rate (for the relevant period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the STIBOR Rate Administrator or (ii) the STIBOR Rate Administrator that the STIBOR Rate Administrator ceases to provide the applicable STIBOR Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the STIBOR Rate;
- (c) a public statement or publication of information in each case by the supervisor of the STIBOR Rate Administrator that the STIBOR Rate (for the relevant period) is no longer representative of the underlying market which the STIBOR Rate is intended to represent and the representativeness of the STIBOR Rate will not be restored in the opinion of the supervisor of the STIBOR Rate Administrator;

- (d) a public statement or publication of information in each case by the supervisor of the STIBOR Rate Administrator with the consequence that it is unlawful for the Issuer or the Calculation Agent to calculate any payments due to be made to any Noteholder using the applicable STIBOR Rate (for the relevant period) or it has otherwise become prohibited to use the applicable STIBOR Rate (for the relevant period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the STIBOR Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. krishanteringsregelverket) containing the information referred to in (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced STIBOR Rate Event as set out in (b) to (e) above will occur within six (6) months.

“Base Rate Event Announcement” means a public statement or published information as set out in paragraph (b) to (e) of the definition of STIBOR Rate Event that any event or circumstance specified therein will occur.

“STIBOR Rate Fixing Business Day” shall mean a day on which ES-CPH is open and banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Stockholm.

“Successor STIBOR Rate” means the rate that an Independent Adviser determines is a successor to or the replacement of the applicable STIBOR Rate and which is formally recommended by a Relevant Nominating Body.

“Tax Event” means as a result of any change in the laws, regulations or rulings of Faroese tax authorities (TAKS), or any authority in, or of, the Faroe Islands having the power to tax or in the official interpretation or administration of any such laws, regulations or rulings on or after the Issue Date, the Issuer receives an opinion of external counsel in the Faroe Islands experienced in such matters that (A) it would be required to pay Additional Amounts as provided in Clause 12 (*Taxation (Gross up)*) or (B) it will no longer be able to obtain a tax deduction for the purposes of Faroese tax for any payment of interest under the Notes (or the value of such deduction would be materially reduced), in each case provided that the Issuer satisfies the Relevant Regulator that such change in tax treatment of the Notes is material and was not reasonably foreseeable at the time of their issuance.

“Written Procedure” means a written procedure held pursuant to Clause 16 (*Written Procedure*).

4. Form, denomination, nominal amount, trades

- 4.1 The Notes are issued in bearer form (in Danish: *ihændehaver*) and issued in uncertificated and dematerialised book-entry form through ES-CPH.
- 4.2 The Notes are denominated in SEK. The Notes shall be registered in ES-CPH in multiples of SEK 2,000,000. All trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of SEK 2,000,000 and, if more, in even multiples of SEK 2,000,000.
- 4.3 If a Noteholder holds a nominal amount in a custody account of less than SEK 2,000,000, such Notes may not be traded unless such Noteholder purchases or transfers additional Notes in the custody account so that the requirements as to tradeable amounts of SEK 2,000,000 are satisfied.
- 4.4 The Outstanding Principal Amount may be adjusted as required by then current mandatory legislation and/or regulations applicable to the Issuer. Any such adjustment to the Outstanding Principal Amount will not have any effect on the denominations of the Notes.

4.4.1 The ISIN code of the Notes is: DK0030564497.

5. Transferability and title

5.1 The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes under Clauses 4.2 and 4.3 or under laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

5.2 Legal title to the Notes will pass by electronic registration in the book entry system and register maintained by ES-CPH in accordance with the Danish Capital Markets Act, Executive Orders issued pursuant thereto and the rules and procedures of ES-CPH from time to time. Each Noteholder shall (except as otherwise required by law) be treated as holder of the Notes for all purposes and no person shall be liable for so treating such Noteholder.

5.3 The Issuer shall, to the extent permitted under applicable laws, regulations, and the rules and procedures of ES-CPH from time to time, have access on demand to static data and ownership of the Noteholders registered in the securities register.

6. Noteholders' rights

6.1 If a beneficial owner of a Note not being registered as a Noteholder wishes to exercise any rights under the Notes (including, but not limited to participating in Noteholders' Meeting or a Written Procedure), it must obtain proof of ownership of the Notes, acceptable to the chairman of the Noteholders' Meeting (in case of a Noteholders' Meeting) or the Issuer (in case of a Written Procedure).

6.2 A Noteholder (whether registered as such or proven to the satisfaction of the chairman of the Noteholders' Meeting or the Issuer, as applicable, to be the beneficial owner of the Note as set out in Clause 6.1) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Notes held or beneficially owned by such Noteholder. The chairman of the Noteholders' Meeting or the Issuer, as applicable, shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 6 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the chairman of the Noteholders' Meeting or the Issuer, as applicable, has actual knowledge to the contrary.

7. Status of the Notes

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

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

(a) *pari passu* without any preference among themselves;

(b) *pari passu* with any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes (including any other Non-Preferred Senior Obligations of the Issuer), in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

(c) senior to holders of the Issuer's shares in their capacity as such holders of such shares, any other liabilities, obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes or any obligations pursuant to Section 98 of the Danish Bankruptcy Act, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and

- (d) junior to present or future claims of (i) depositors of the Issuer, (ii) unsubordinated creditors of the Issuer pursuant to Section 97 of the Danish Bankruptcy Act and (iii) any other unsubordinated creditors of the Issuer that are not creditors in respect of Non-Preferred Senior Obligations of the Issuer, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.
- 7.3 No Noteholder, who shall be indebted to the Issuer, shall be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholder. To the extent that any Noteholder nevertheless claims a right of set-off, netting or counterclaim in respect of any such amount, whether by operation of law or otherwise, and irrespective of whether the set-off, netting or counterclaim is effective under any applicable law, if the Noteholder receives or recovers any sum or the benefit of any sum in respect of any Note by virtue of such set-off, netting or counterclaim, such Noteholder is required to immediately transfer to the Issuer an amount equal to the amount which purportedly has been set off, netted or counterclaimed.
- 7.4 The Issuer reserves the right in the future to issue other notes or capital instruments, with identical or other ranking than the Notes.
- 8. Interest**
 - 8.1 Interest rate
 - 8.1.1 The Notes bear interest on their Outstanding Principal Amount at a floating rate from (and including) the Issue Date.
 - 8.1.2 Interest shall be payable quarterly in arrears on 22 January, 22 April, 22 July and 22 October, commencing on 22 April 2026 adjusted in accordance with the Modified Following Business Day Convention in accordance with this Clause 8.1 and Clause 10 (*Payments*).
 - 8.1.3 The rate of interest payable from time to time in respect of the Notes will be determined as the sum of:
 - (a) the Stockholm interbank offered rate per annum (STIBOR), administered by the Swedish Financial Benchmark Facility (or any other person which takes over administration of that rate) for three month deposits in SEK displayed on page Refinitiv page STIBOR= (Swedish Financial Benchmark Facility) screen (or any replacement page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time. (and if the agreed page is replaced or services ceases to be available, the Calculation Agent may specify another page or service displaying the appropriate rate) as of around 11:00 am (Stockholm time) (the “**STIBOR Rate**”); and
 - (b) 2.000 per cent. per annum (the “**Margin**”).
 - 8.1.4 The STIBOR Rate is fixed by the Calculation Agent two (2) STIBOR Rate Fixing Business Days before the start of an Interest Period (each an “**Interest Determination Date**”).
 - 8.1.5 The Calculation Agent will cause the rate of interest for each Interest Period to be notified to the Issuer, the Paying Agent and ES-CPH (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Clause 22 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each rate of interest 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 the Noteholders in accordance with Clause 22 (*Notices*).

8.1.6 Interest accrues from day to day and is calculated on the basis of the actual number of days in the interest period divided by 360 (Actual/360, adjusted).

8.2 Unavailability of STIBOR Rate

8.2.1 If the STIBOR Rate is unavailable, the Calculation Agent will request each of the Reference Banks to provide the Calculation Agent with:

(a) (other than where paragraph (b) below applies) the rate at which the relevant Reference Bank is willing to lend amounts in SEK for three months without collateral to other banks active on the Swedish money market; or

(b) if different, the rate (if any and applied to the relevant Reference Bank and the relevant period) which contributors to the STIBOR Rate are asked to submit to the relevant administrator, in each case at approximately 11.00 a.m. (Stockholm time) on the second STIBOR Rate Fixing Business Day prior to the start of each Interest Period.

8.2.2 If at least two of the Reference Banks provide such rates, the rate of interest shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the Calculation Agent of such rates, plus the Margin. If fewer than two rates are provided as requested, the Interest Rate for that Interest Period will be the arithmetic mean of the rates quoted by major banks in Sweden selected by the Calculation Agent, at approximately 11.00a.m. (Stockholm time) on the first day of such Interest Period for loans in SEK to leading Swedish banks for a period of three months commencing on the first day of such Interest Period and for a Representative Amount, plus the Margin.

8.2.3 If the Interest Rate cannot be determined in accordance with the above provisions, the Interest Rate shall be the Interest Rate applicable to the preceding Interest Period, all as determined by the Calculation Agent.

8.3 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purpose of this Clause 8 by the Calculation Agent shall (in the absence of manifest error or wilful default) be binding on the Issuer, the Calculation Agent and all Noteholders and (in the absence of wilful default and gross negligence) no liability to the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

9. STIBOR Rate replacement

9.1 General

9.1.1 Any determination to be made by or any changes to the Terms and Conditions to be specified by the Independent Adviser in accordance with the provisions of this Clause 9 shall at all times be made by such Independent Adviser acting in good faith.

9.2 STIBOR Rate determination

9.2.1 If a STIBOR Rate Event has occurred, the following shall apply:

(a) The Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine, no later than five (5) STIBOR Rate Fixing Business Days prior to the relevant Interest Determination Date in relation to the next succeeding Interest Period (the "**STIBOR Rate Determination Date**"), a Successor STIBOR Rate or, alternatively, if there is no Successor STIBOR Rate, an Alternative STIBOR Rate for purposes of determining the applicable STIBOR Rate for the next succeeding Interest Period;

- (b) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor STIBOR Rate or an Alternative STIBOR Rate prior to a STIBOR Rate Determination Date, the STIBOR Rate applicable to the next succeeding Interest Period shall be equal to the STIBOR Rate last determined for the preceding Interest Period; and
 - (c) if a Successor STIBOR Rate or an Alternative STIBOR Rate is determined in accordance with paragraph (a) in this Clause 9.2.1, such Successor STIBOR Rate or Alternative STIBOR Rate shall be the STIBOR Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided for in this Clause 9).
- 9.2.2 If the Independent Adviser (in consultation with the Issuer), determines that an Adjustment Spread is required to be applied to the Successor STIBOR Rate or the Alternative STIBOR Rate and that such Adjustment Spread is determined by the Independent Adviser, such Adjustment Spread shall be applied.
- 9.3 Variation upon STIBOR Rate replacement
- 9.3.1 If the Independent Adviser determines a Successor STIBOR Rate or an Alternative STIBOR Rate in accordance with this Clause 9.2, the Independent Adviser may (following consultation and subject to the final approval by the Issuer) specify changes to these Terms and Conditions in order to follow market practice in relation to the relevant Successor STIBOR Rate or Alternative STIBOR Rate.
- 9.3.2 The Issuer shall, at its own expense, but subject to receipt by the Noteholders of the certificate referred to in Clause 9.3.3, without the requirement for any consent or approval of the Noteholders, effect such amendments to these Terms and Conditions as may be required by the Issuer in order to give effect to this Clause 9, such amendments referred to as **"STIBOR Rate Amendments"**.
- 9.3.3 The Issuer shall promptly, following the determination of any Successor STIBOR Rate or Alternative STIBOR Rate and any STIBOR Rate Amendments, give notice thereof to the Calculation Agent and the Noteholders in accordance with Clause 22 (*Notices*). No later than giving the Noteholders such notice, the Issuer shall deliver to the Noteholders a certificate signed by two (2) authorised signatories of the Issuer:
 - (a) confirming (i) that a STIBOR Rate Event has occurred, (ii) the relevant Successor STIBOR Rate or Alternative STIBOR Rate, and (iii) any STIBOR Rate Amendments, in each case as determined in accordance with the provisions of this Clause 9; and
 - (b) as applicable, certifying that the STIBOR Rate Amendments are necessary to ensure the proper operation of such Successor STIBOR Rate or Alternative STIBOR Rate.
- 9.3.4 The Successor STIBOR Rate or Alternative STIBOR Rate and any STIBOR Rate Amendments specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor STIBOR Rate or Alternative STIBOR Rate and any STIBOR Rate Amendments and without prejudice to the Calculation Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Calculation Agent and the Noteholders.
- 9.3.5 An Independent Adviser appointed pursuant to this Clause 9 shall act in good faith and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Paying Agent, Calculation Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Clause 9.
- 9.3.6 Notwithstanding any other provision of this Clause 9, no Successor STIBOR Rate or Alternative STIBOR Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Clause 8, if and to the extent that, in the determination of the Issuer,

the same could reasonably be expected to prejudice the qualification of the Notes as MREL Eligible Liabilities of the Issuer and/or the Group.

10. Payments

10.1 Payments of principal and interest

10.1.1 Payments of principal, interest and any other amounts in respect of the Notes shall be made to the Noteholders shown in the relevant records of ES-CPH in accordance with and subject to the rules and regulations from time to time governing ES-CPH.

10.2 Payments subject to fiscal laws

10.2.1 All payments in respect of the 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 Clause 12 (*Taxation (Gross up)*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3 Payments on Business Days

10.3.1 If the due date for payment of any amount in respect of any Note is not a Business Day, the payment shall be postponed to the following Business Day, and the Noteholders shall not be entitled to any further interest or other payment in respect of such delay.

11. Redemption and purchase

11.1 Redemption at maturity

11.1.1 Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their Outstanding Principal Amount on the Maturity Date in accordance with Clause 10 (*Payments*)

11.2 Early redemption upon the occurrence of a Tax Event

11.2.1 Subject to Clause 11.9 (*Conditions to redemption etc. prior to the Maturity Date*), upon the occurrence of a Tax Event, the Issuer may, at its option at any time, and having given no less than thirty (30) and no more than sixty (60) days' notice to the Paying Agent and the Noteholders in accordance with Clause 22 (*Notices*) (which notice shall, subject to the Permission Withdrawal Early Redemption Restriction, be irrevocable), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amount, together with accrued and unpaid interest thereon.

11.3 Early redemption upon the occurrence of an MREL Disqualification Event

11.3.1 Subject to Clause 11.9 (*Conditions to redemption etc. prior to the Maturity Date*), upon the occurrence of an MREL Disqualification Event, the Issuer may, at its option at any time, and having given no less than thirty (30) and no more than sixty (60) days' notice to the Paying Agent and the Noteholders in accordance with Clause 22 (*Notices*) (which notice shall, subject to the Permission Withdrawal Early Redemption Restriction, be irrevocable), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amount, together with accrued and unpaid interest thereon.

11.4 Redemption at the option of the Issuer

11.4.1 Subject to Clause 11.9 (*Conditions to redemption etc. prior to the Maturity Date*), the Issuer may, at its option and having given no less than fifteen (15) and no more than thirty (30) days' notice to the Paying Agent and the Noteholders in accordance with Clause 22 (*Notices*) (which notice shall, subject to the Permission Withdrawal Early Redemption Restriction, be irrevocable), redeem all (but

not some only) of the outstanding Notes on the relevant Call Date at their Outstanding Principal Amount, together with accrued and unpaid interest thereon.

11.5 Clean up redemption at the option of the Issuer

11.5.1 Subject to Clause 11.9 (*Conditions to redemption etc. prior to the Maturity Date*), if the aggregate outstanding nominal amount of the Notes is 25 per cent. or less of the aggregate nominal amount of the Notes originally issued, the Issuer may, at its option at any time, and having given no less than thirty (30) and no more than sixty (60) days' notice to the Paying Agent and the Noteholders in accordance with Clause 22 (*Notices*) (which notice shall, subject to the Permission Withdrawal Early Redemption Restriction, be irrevocable), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amount, together with accrued and unpaid interest thereon.

11.6 Purchase of Notes by the Issuer and any other member of the Group

11.6.1 The Issuer and any other member of the Group may (subject to Clause 11.9 (*Conditions to redemption etc. prior to the Maturity Date*)) purchase Notes in the open market or otherwise at any price.

11.7 Cancellation

11.7.1 All Notes purchased by or on behalf of the Issuer may (but subject to Clause 11.9 (*Conditions to redemption etc. prior to the Maturity Date*)) be cancelled by the Issuer when the Issuer holds the title to them. Such Notes are cancelled in the records of ES-CPH so that the cancelled Notes cannot be reissued or resold, and subsequently the Issuer has no obligations pertaining to the cancelled Notes. The outstanding amount of Notes will be updated in the records of ES-CPH.

11.8 Substitution and variation

11.8.1 Subject to having given no less than thirty (30) nor more than sixty (60) days' notice (which notice shall be irrevocable) to the Noteholders (in accordance with Clause 22 (*Notices*)) and the Issuing Agent:

(a) if a MREL Disqualification Event and/or a Tax Event has/have occurred and is/are continuing; or

(b) in order to align the Terms and Conditions to best practices published by the European Banking Authority (or any successor or replacement thereof) resulting from its monitoring activities pursuant to Article 80 of the CRR,

the Issuer may, at its option, but subject to Clause 11.9 (*Conditions to redemption etc. prior to the Maturity Date*), substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Non-Preferred Senior Notes.

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

11.9 Conditions to redemption etc. prior to the Maturity Date

11.9.1 The Notes may only be redeemed, purchased, cancelled, substituted, varied or modified (as applicable) pursuant to Clauses 11.2 (*Early redemption upon the occurrence of a Tax Event*), 11.3 (*Early redemption upon the occurrence of an MREL Disqualification Event*), 11.4 (*Redemption at the*

option of the Issuer), 11.5 (*Clean up redemption at the option of the Issuer*), 11.6 (*Purchase of Notes by the Issuer and any other member of the Group*), 11.7 (*Cancellation*), 11.8 (*Substitution and variation*), 14.1 (*Powers of Noteholders' Meeting and a Written Procedure*) and (b), as the case may be, if:

- (a) in the case of any such variation or modification not covered by Clause (b) below, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has not objected to such variation or modification (as applicable) in accordance with the CRD/CRR and BRRD requirements;
- (b) in the case of any such (i) variation or modification which, in the reasonable opinion of the Issuer, would lead to material changes that would affect the relevant eligibility criteria of the Notes in the Applicable MREL Regulations; or (ii) redemption, substitution, purchase or cancellation, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has granted its permission to, such variation, modification, redemption, substitution, purchase or cancellation (as applicable) and, if so given by the Relevant Regulator, such permission has not been withdrawn by the Relevant Regulator prior to the date fixed for such variation, modification, redemption, substitution, purchase or cancellation (as applicable) in accordance with the CRD/CRR and BRRD requirements (which, as at the Issue Date, are set out in Articles 77 and 78a of the CRR); and
- (c) in the case of a redemption of the Notes as a result of a Tax Event or an MREL Disqualification Event, the Issuer has delivered a certificate signed by two of its authorised signatories to the Issuing Agent (and copies thereof will be available at the Issuing Agent's specified office during its normal business hours) not less than five (5) Business Days prior to the date set for redemption that such Tax Event or MREL Disqualification Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

11.9.2 If, after a notice of redemption has been given pursuant to Clauses 11.2 (*Early redemption upon the occurrence of a Tax Event*), 11.3 (*Early redemption upon the occurrence of an MREL Disqualification Event*), 11.4 (*Redemption at the option of the Issuer*) or 11.5 (*Clean up redemption at the option of the Issuer*) (as applicable), the Relevant Regulator withdraws its permission to the relevant redemption before the relevant redemption date, such notice of redemption shall automatically be revoked and the relevant redemption shall not be made until a new redemption notice is given and all conditions for redemption as described in this Clause 11.9.2 have been fulfilled. The redemption restriction described in this Clause 11.9.2 is referred to as the **"Permission Withdrawal Early Redemption Restriction"**.

11.9.3 If the Issuer has elected to substitute or vary the Notes pursuant to Clause 11.8 (*Substitution and variation*) but prior to the relevant substitution or variation, as the case may be, the Relevant Regulator withdraws its no objection to the relevant substitution or variation (as applicable) the relevant notice shall be automatically rescinded and shall be of no force and effect.

11.9.4 Any objection by the Relevant Regulator to any such variation or modification (as applicable) pursuant to Clause (a) or any refusal by the Relevant Regulator to grant its permission to any such variation, modification, redemption, substitution, purchase or cancellation (as applicable) pursuant to Clause (b) (or, as the case may be, any withdrawal by the Relevant Regulator of any such permission or no objection (as applicable)) will not constitute an event of default or an Enforcement Event under the Notes.

12. Taxation (Gross up)

12.1 All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (together, "Taxes") imposed or levied by or on behalf of the Faroese tax

authorities (TAKS), or any authority in, or of, the Faroe Islands having the power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, in the case of a payment of interest only, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of him having some connection with the Faroe Islands other than the mere holding of the Note or receipt of interest in respect thereof; or
- (b) presented for payment more than thirty (30) days after the Relevant Date except to the extent that a Note would have been entitled to Additional Amounts on claiming payment on or before the expiry of such period of thirty (30) days.

12.2 Notwithstanding any other provision of the Terms and Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereunder.

13. Enforcement Events

13.1 No events of default

13.1.1 There are no events of default in respect of the Notes. Noteholders shall not be entitled at any time to file for bankruptcy or liquidation of the Issuer.

13.2 Enforcement Events

13.2.1 If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer (an "**Enforcement Event**"), any Noteholder may prove or claim in such proceedings in respect of such Note, such claim being for payment of the Outstanding Principal Amount of such Note at the time of commencement of such bankruptcy or liquidation of the Issuer together with any interest accrued and unpaid on such Note from (and including) the Interest Payment Date immediately preceding the occurrence of such Enforcement Event and any other amounts payable on such Note (including any damages payable in respect thereof). Such claim shall rank as provided in Clause 7 (*Status of the Notes*).

13.3 Enforcement of obligations

13.3.1 Subject to Clause 13.1 (*No events of default*) and without prejudice to Clause 13.2 (*Enforcement Events*), any Noteholder may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, provided that the Issuer shall not by virtue of the institution of any proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

14. Decisions by Noteholders

14.1 Powers of Noteholders' Meetings and a Written Procedure

14.1.1 A Noteholders' Meeting or a Written Procedure shall, subject to the Terms and Conditions (including Clause 11.9 (*Conditions to redemption etc. prior to the Maturity Date*)), have power to:

- (a) sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer, whether or not those rights arise under the Notes;
- (b) sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, Securities, Notes or other obligations of the Issuer or any other entity;
- (c) assent to any modification of the Notes or the Terms and Conditions proposed by the Issuer;
- (d) to authorise anyone to concur in and do anything necessary to carry out and give effect to a resolution taken at a Noteholders' Meeting or a Written Procedure;
- (e) appoint and elect a representative on behalf of the Noteholders pursuant to any provision of the Danish Capital Markets Act in force on the Faroe Islands;
- (f) appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise at a Noteholders' Meeting or a Written Procedure; and
- (g) approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or the Terms and Conditions.

14.1.2 Decisions to be taken by the Noteholders may be dealt with, at the option of the Issuer, at a Noteholders' Meeting or by way of a Written Procedure.

14.1.3 A Noteholders' Meeting will be held in accordance with the procedure pursuant to Clause 15 (*Noteholders' Meeting*).

14.1.4 A Written Procedure will be held in accordance with the procedure pursuant to Clause 16 (*Written Procedure*).

14.2 Voting rights

14.2.1 Each Noteholder holds one vote for each Note. The Issuer has no voting rights in respect of Notes held by the Issuer or any of its subsidiaries.

14.2.2 Only a person who is, or who has been provided with a power of attorney from a person who is, able to document its holdings of Notes by

- (a) presenting a custody account statement from ES-CPH or an authorised institution that is not more than three Business Days old (where the three Business Days shall be counted from the date of the submission of the vote or power of attorney authorising a person to vote); or
- (b) provide other proof of holding which, in the case of a Noteholders' Meeting is satisfactory to the chairman of the Noteholders' Meeting or in the case of a Written Procedure is satisfactory to the Issuer, may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure.
- (c) For the purposes of this Clause 14.2, a beneficial owner of a Note that has a Note registered in the name of a nominee will, in accordance with Clause 6 (*Noteholders' rights*), be deemed to be the owner of the Note rather than the nominee. No vote may be exercised at Noteholders' Meeting or in a Written Procedure by any nominee if the beneficial owner

of the Note has presented relevant evidence to the chairman of the Noteholders' Meeting (in case of a Noteholders' Meeting) or the Issuer (in case of a Written Procedure) pursuant to Clause 6 (*Noteholders' rights*) stating that it is the beneficial owner of the Notes voted for. If such owner of the Notes has voted directly for any of its nominee registered Notes, the owner of the Notes votes shall take precedence over votes submitted by the nominee for the same Notes.

14.3 Percentage of Noteholders required to consent

14.3.1 The following matters shall require the consent of Noteholders representing at least 66 2/3 per cent. of the Outstanding Principal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16 (*Written Procedure*):

- (a) a change to the terms of any provision of Clause 7 (*Status of the Notes*);
- (b) a reduction of the amount payable upon the redemption or repurchase of any Note pursuant to Clause 11 (*Redemption and purchase*) other than as permitted or required by the Terms and Conditions;
- (c) a change to the interest rate or the nominal amount of the Notes (other than as permitted or required by the Terms and Conditions);
- (d) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 14.3.1, Clause 14.4.1 or Clause 17.3;
- (e) a change of Issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (f) a mandatory exchange of the Notes for other Securities; and
- (g) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 13 (*Enforcement Events*), or as otherwise permitted or required by the Terms and Conditions.

14.3.2 Any matter not covered by Clause 14.3.1 above shall require the consent of Noteholders representing more than 50 per cent. of the Outstanding Principal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure.

14.4 Quorum

14.4.1 A quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder or Noteholders representing at least 50 per cent. of the Outstanding Principal Amount in case of a matter pursuant to Clause 14.3.1, and otherwise 20 per cent. of the Outstanding Principal Amount:

- (a) attend the meeting in person (or appear through duly authorised representatives), in the case of a Noteholders' Meeting; or
- (b) reply to the request, in the case of a Written Procedure.

14.4.2 Notes held by the Issuer or any of its subsidiaries shall not be taken into account when determining whether the required quorum has been met according to Clause 14.4.1 or Clause 17 (*Repeated Noteholders' Meeting or Written Procedure*).

14.4.3 No resolution may be passed if it is clear that that resolution is likely to give certain Noteholders or others an undue advantage over other Noteholders.

14.5 Issuer's, Paying Agent's, Issuing Agent's or Calculation Agent's consent required

14.5.1 Any decision which extends or increases the obligations of the Issuer, the Paying Agent, the Issuing Agent or the Calculation Agent or limits, reduces or extinguishes the rights or benefits of the Issuer, the Paying Agent, the Issuing Agent or the Calculation Agent under the Terms and Conditions shall be subject to the Issuer's, the Paying Agent's, the Issuing Agent's or the Calculation Agent's consent, as the case may be.

14.6 Decisions binding on all Noteholders and information to Noteholders

14.6.1 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.

14.6.2 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be notified to the Noteholders, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer.

14.7 Minutes of a Noteholders' Meeting or Written Procedure

14.7.1 Minutes shall be made of all resolutions and proceedings at every Noteholders' Meeting or Written Procedure and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

15. Noteholders' Meeting

15.1 Attendance at a Noteholders' Meeting:

15.1.1 At the Noteholders' Meeting, each Noteholder must document its holdings of Notes by presenting a custody account statement from ES-CPH or an authorised account institution evidencing that such Noteholder was registered as a Noteholder on the Business Day(s) specified in the notice to convene Noteholders' Meeting pursuant to Clause 15.4.1 or by providing other proof of holding satisfactory to the chairman of the Noteholders' Meeting. The following may attend and speak at a Noteholders' Meeting:

- (a) Noteholders and proxies;
- (b) any beneficial owners of the Notes having presented relevant evidence to the chairman of the Noteholders' Meeting pursuant to Clause 6 (*Noteholders' rights*);
- (c) any representative of the Noteholders appointed pursuant to the Danish Capital Markets Act;
- (d) the chairman; and
- (e) the Issuer, the Issuing Agent, the Paying Agent, the Calculation Agent and their respective financial and legal advisers.

15.1.2 No one else may attend or speak.

15.2 Chairman of the Noteholders' Meeting

15.2.1 The chairman of the Noteholders' Meeting shall be such person as the Issuer nominates or, if no nomination is made, the person elected by the Noteholders present at such meeting.

15.2.2 The Issuer shall upon request provide the chairman of the Noteholders' Meeting with the information available in the securities register kept by ES-CPH in respect of the Notes in order to convene and hold the Noteholders' Meeting.

15.3 Convening a Noteholders' Meeting

15.3.1 The Issuer may at any time, and shall, if so requested by one or more Noteholders representing at least 10 per cent. of the Outstanding Principal Amount of the Notes convene a Noteholders' Meeting or initiate a Written Procedure. The Issuer may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Issuer that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

15.3.2 The Issuer shall call the Noteholders by notice to each Noteholders' Meeting no later than 14 days after having received request to convene such Noteholders' Meeting from the Noteholders containing the subject of such meeting. If the Issuer does not call the Noteholders' Meeting within the deadline, the Noteholders shall be entitled to call the Noteholders' Meeting. The notice to convene a Noteholders' Meeting shall be sent to all Noteholders registered in ES-CPH at the time the notice to convene a Noteholders' Meeting is sent from ES-CPH.

15.4 Notice to convene a Noteholders' Meeting

15.4.1 The notice pursuant to Clause 15.3 (*Convening a Noteholders' Meeting*) shall include the following:

- (a) time for the Noteholders' Meeting, which must be at least 10 days but not more than 30 days after the notice to the Noteholders;
- (b) place for the Noteholders' Meeting;
- (c) a specification of the Business Day(s) on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (d) agenda for the meeting (including each request for a decision by the Noteholders); and
- (e) a form of power of attorney.

15.4.2 Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting.

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

15.5 Venue for Noteholders' Meetings

15.5.1 All Noteholders' Meetings shall be held in the Aarhus area or the Copenhagen area as determined by the Issuer or the person convening the Noteholders' Meeting. The Issuer shall pay expenses associated with the meeting other than travel and other expenses incurred by the Noteholders which shall be borne by each individual Noteholder.

16. Written Procedure

16.1 Instigating a Written Procedure

16.1.1 The Issuer may instigate a Written Procedure at any time by sending a notice to each Noteholder registered in ES-CPH at the time the notice to instigating a Written Procedure is sent from ES-CPH.

16.1.2 A notice pursuant to Clause 16.1.1 shall include the following:

- (a) each request for a decision by the Noteholders;
- (b) a description of the reasons for each request;
- (c) a specification of the Business Day(s) on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (d) instructions and directions on replying to the request (including a form for such reply containing an option to vote yes or no for each request) as well as a form of power of attorney; and
- (e) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least 5 Business Days from the notice sent pursuant to Clause 16.1.1).

16.1.3 Instructions for the voting shall be included in the notice.

16.2 Decisions

16.2.1 When the requisite majority consents in accordance with Clause 14.3 (*Percentage of Noteholders required to consent*) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted even if the time period for replies in the Written Procedure has not yet expired.

17. Repeated Noteholders' Meeting or Written Procedure

17.1 Even if the necessary quorum set out in Clause 14.4.1 is not achieved, the Noteholders' Meeting or Written Procedure, as applicable, shall be held and voting completed for the purpose of recording the voting results in the minutes of the Noteholders' Meeting or Written Procedure, as applicable. The Issuer or the person who convened the initial Noteholders' Meeting or Written Procedure, as applicable, may, within ten Business Days of that Noteholders' Meeting or Written Procedure, as applicable, convene a repeated Noteholders' Meeting or Written Procedure, with the same agenda as the first Noteholders' Meeting or Written Procedure, as applicable.

17.2 The provisions and procedures regarding a Noteholders' Meetings and a Written Procedure, as set out, as applicable, in Clause 14 (*Decisions by Noteholders*), Clause 15 (*Noteholders' Meeting*) and Clause 16 (*Written Procedure*) shall apply *mutatis mutandis* to a repeated Noteholders' Meeting or Written Procedure, with the exception of the quorum requirements set out in Clause 14.4 (*Quorum*). A notice to convene for a repeated Noteholders' Meeting or Written Procedure, as applicable, shall also contain the voting results obtained in the initial Noteholders' Meeting or Written Procedure, as applicable,

17.3 The quorum at any such repeated Noteholder's Meeting or Written Procedure, as applicable, is one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of a matter pursuant to Clause 14.3.1, in which case the quorum shall be one or more persons holding Notes or representing Noteholders holding Notes in principal amount of not less than 33 1/3 per cent. of the Outstanding Principal Amount.

17.4 A repeated Noteholders' Meeting or Written Procedure, as applicable, may only be convened once for each initial Noteholders' Meeting or Written Procedure, as applicable. A repeated Noteholders' Meeting or Written Procedure, as applicable, may be convened pursuant to the procedures of a Written Procedure in accordance with Clause 16 (*Written Procedure*), even if the initial meeting was held pursuant to the procedures of a Noteholders' Meeting in accordance with Clause 15 (*Noteholders' Meeting*) and vice versa.

18. Modification

18.1 Subject to Clause 11.9 (*Conditions to redemption etc. prior to the Maturity Date*), as applicable, the Issuer may, without the consent of the Noteholders, make any modification to the Notes or these Terms and Conditions:

(a) to correct a manifest error; and

(b) which is not prejudicial to the interests of the Noteholders.

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

18.3 Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Clause 22 (*Notices*) as soon as practicable thereafter.

19. Further issues

19.1 The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same Terms and Conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the issue date or the issue price thereof) so as to form a single series with the Notes.

20. Prescription limits

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

21. Replacement of agents

21.1 The Issuer reserves the right to appoint a successor Issuing Agent, Paying Agent or Calculation Agent in accordance with the rules and procedures of ES-CPH from time to time, provided, however, that the Issuer shall at all times maintain an Issuing Agent and a Paying Agent which is authorized to act as an account holding institution (in Danish: *kontoførende institut*) with ES-CPH and a Calculation Agent (which may be the Paying Agent).

22. Notices

22.1 The Issuer shall ensure that notices to the Noteholders are given in accordance with the procedures of ES-CPH in force from time to time, and that notices are duly published in a manner which complies with the rules of any stock exchange, regulated market or multilateral trading facility, or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

22.2 Any such notices to the Noteholders will be deemed to have been given on the date it is published in accordance with the procedures of ES-CPH or, if so published more than once or on different dates, on the date of the first publication.

22.3 Notices to be given by a Noteholder to the Issuer may be given by such holder through ES-CPH or by registered mail to the specified office of the Issuer with a copy to the Issuing Agent and Paying Agent.

22.4 Noteholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Clause 22.

23. Force majeure

23.1 Even in areas where a stricter statutory liability applies, neither the Issuer nor the Issuing Agent, the Paying Agent or the Calculation Agent shall be liable for losses due to:

- (a) the breakdown of or lack of access to IT systems or damage to the data of these systems which can be attributed to paragraphs (b) to (d) below regardless of whether the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or an external supplier is responsible for the operation of the systems;
- (b) failures in the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrections, civil riots, sabotage, terror or vandalism (including computer viruses and backing);
- (c) strike, lockout, boycott or blockade regardless of whether the conflict is directed at or initiated by the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or its or their organisation and regardless of the reason for the conflict and whether the conflict affects all or part of the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant); or
- (d) other circumstances beyond the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) control.

23.2 If circumstances mentioned in Clause 23.1 occur, which make it impossible for the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent to comply with their obligations under these Terms and Conditions (to the extent they have any obligations under the Terms and Conditions), including (but not limited to) the Issuer's obligations to make payments under the Notes, these obligations will be suspended until the circumstances in question cease.

23.3 The Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's exemption from liability pursuant to Clause 23.1 will not apply if:

- (a) the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) should have anticipated the factor causing the loss when the agreement was entered into or should have avoided or overcome the reason for the loss; or
- (b) the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) is liable for the factor causing the loss pursuant to applicable mandatory legislation.

24. Credit rating and listing

24.1 The Notes will not be assigned any credit rating by any credit rating agency

24.2 The Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on the regulated market of Nasdaq Copenhagen A/S on or before 15 June 2026 or, if such admission to trading is not possible to obtain, admitted to trading on another regulated market.

24.3 The Issuer shall, following the admission to trading, use reasonable efforts to maintain the admission to trading as long as any Notes are outstanding, however not longer than up to and including the last

day of which the admission to trading can reasonably, pursuant to the applicable regulations of the regulated market and the regulations of the ES-CPH, subsist.

- 24.4 For the avoidance of doubt, no Noteholder has the right to accelerate the Notes or otherwise request a prepayment or redemption of the Notes if a failure to admit the Notes to trading or maintain admission to trading of the Notes in accordance with Clauses 24.2 or 24.3 above occurs.

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

- 25.1 These Terms and Conditions and the Notes shall be governed by, and construed in accordance with, Danish law.

- 25.2 The City Court of Copenhagen (in Danish: *Københavns Byret*) shall have exclusive jurisdiction to settle any dispute arising from or connected with these Terms and Conditions and the Notes.

- 25.3 Recognition of write-down or conversion powers

- (a) Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder, by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to (without limitation) the exercise of any Danish Statutory Loss Absorption Powers (including, for the avoidance of doubt, in accordance with Article 48 of the BRRD).
- (b) any failure or delay to give notice to the Noteholders on the exercise of any Danish Statutory Loss Absorption Powers shall not prejudice the validity and enforceability of the exercise of any Danish Statutory Loss Absorption Powers.

5. Amount and Use of Proceeds

- 5.1 An amount equal to the net proceeds from the Issuance of the Notes, being approximately 348,250,000.00, have been and will be applied by the Issuer for general banking purposes, including, without limitation, asset/liability management, strategic liquidity management and/or to fulfil own funds requirements.

6. Description of Føroya Banki and the Føroya Banki Group

6.1 Introduction

6.1.1 History, business and market

Føroya Banki was established on the Faroe Islands in 1906 under the name Føroya Banki and merged with Sjóvinnubankin in 1994. The merged bank continued under the name Føroya Banki. In 2010 it changed the name to BankNordik, and in 2024 the name was changed back to Føroya Banki for the Faroese banking operation and Bankivik for the Greenlandic business.

Føroya Banki's vision is a future where everyone has the financial resources to focus on what is important. The vision is to be accomplished through Føroya Banki's mission – to provide financial security in Greenland and the Faroe Islands. Føroya Banki's current strategy is under the headline "A customer focused and sustainable growth" which will be achieved through a targeted strategic focus on good, preferably digital, customer experiences and profitability.

The Group covers the Faroe Islands and Greenland, offering relevant and competitive financial products and services combined with competent advisory services for private individuals and enterprises.

Føroya Banki due to its relative size to the Faroese economy has been designated as a systematically important financial institution ("SIFI") on the Faroe Islands by the Danish FSA.

Føroya Banki Group is a relevant and strong financial institution offering a wide range of financial products and services to personal and corporate. Føroya Banki Group offers financial advice and support to the customers of Føroya Banki Group via a limited number of branches (five on the Faroe Islands and one in Nuuk, Greenland) and user-friendly digital self-services.

Føroya Banki Group's registered office and principal place of business is Oknarvegur 5, 100 Torshavn, Faroe Islands. Contact information for Føroya Banki's head office is: Telephone: +29833030 and Føroya Banki's main website is: www.bankin.fo along with a local Greenlandic website www.bankivik.gl and an investor-related website www.foroyabanki.com. Information on Føroya Banki's websites does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus (see "*Documents incorporated by reference*").

Føroya Banki is registered with the Faroese Business Authority under registration number 10 and in the Danish Business Authority as a limited liability company (in Danish: *aktieselskab*) and operates under Faroese legislation. Føroya Banki's Legal Entity Identifier (LEI) code is 5299005W3ZSR35ZYJH59. The legal name of the Bank is P/F Føroya Banki. Føroya Banki has the following registered secondary names: Bankivik, BankNordic, BankNordik, Foroya Bank, Foroya Banki, Føroya Bank, Invest Nordik, Nordic Bank, Nordic Banki, Nordik Bank, Nordik Banki, Nordik Íløgur, NordikInvest, Norðoya Banki, Pension Nordik, Pensjón Nordik, Sjóvinnubankin, Trygd Nordik.

The share capital amounts to DKK 192,000,000, divided into shares of nominally DKK 20 each. The share capital is fully paid up, and no shares carry special rights. There are no restrictions on the negotiability of the shares, but no shareholder may on its own behalf and/or as proxy holder for others cast a vote of more than 10% of the total votes.

The Føroya Banki share is listed on Nasdaq OMX, Copenhagen.

Shareholders holding at least 5 per cent of the share capital collectively hold about 64.9 per cent of the total share capital. The remaining 35.1 per cent of the share capital is divided between Føroya Banki's other approximately 8,400 shareholders.

Føroya Banki has one shareholder who holds more than 33.33 per cent of the share capital:

- The Government of the Faroe Islands 34.8 per cent of the shares, where the ownership percentage stated corresponds to what had been disclosed to Føroya Banki at the time of publication of the 2025 annual report.

The following shareholders hold at least 5 per cent of the share capital:

- Ruth Holding ApS holds 14.6% of the shares.
- GTM Familie Holding ApS holds 10.4% of the shares.
- Sp/F RMV Holding holds 5.1% of the shares.

where the ownership percentages stated correspond to what had been disclosed to Føroya Banki at the time of publication of the 2025 annual report or in a major shareholder notification notified to Føroya Banki at a later date, if any.

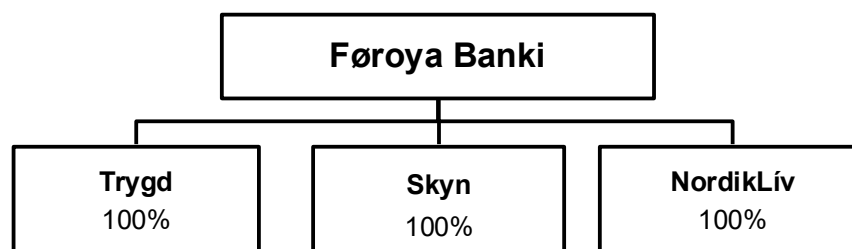
The Issuer does not have knowledge of any arrangements, the operations of which may at a subsequent date result in a change of control of the Issuer.

6.1.2 Organisation and activities of the Føroya Banki Group

The Føroya Banki Group includes the following companies:

- P/F Føroya Banki (parent company)
- P/F Tryggingarfelagið Trygd ("Trygd") (subsidiary)
- P/F Lívstryggingarfelagið NordikLív ("NordikLív") (subsidiary), to be dissolved in 2026
- P/F Skyn ("Skyn") (subsidiary)

Føroya Banki Group's organisational structure is shown below:



6.1.3 Føroya Banki

Føroya Banki is a full-service bank for private individuals and small and medium-sized enterprises covering the Faroe Islands and Greenland.

Føroya Banki's business strategy is based on the sound values of displaying teamwork, customer commitment and enthusiasm with a solid focus on providing financial security in Greenland and the Faroe Islands. As an example, advisory services always take outset in the needs, values and dreams of the customer. This means that Føroya Banki's approach is to look at the full financial situation of the customer.

Føroya Banki works systematically and strategically to develop a dynamic and customer-oriented culture. Føroya Banki's culture is crucial in retaining and developing Føroya Banki's unique position relative both to customers and to being an attractive workplace for employees. Føroya Banki sees a clear link between strategy and culture.

6.1.4 Trygd

Trygd is Føroya Banki's property and casualty insurance company active only on the Faroe Islands serving both private and corporate customers' non-life insurance needs.

6.1.5 NordikLív

NordikLív is life insurance company only active on the Faroe Islands primarily focused on servicing private individuals with severe illness coverage and life insurances. All advisory and sales are made through Føroya Banki or Trygd. NordikLív is planned to be dissolved in 2026, but the Group continues to offer life insurances through a third-party agreement with LÍV.

6.1.6 Skyn

Skyn is a real estate broker only active on the Faroe Islands.

6.1.7 Strategy

6.1.7.1 Føroya Banki's strategy

Implementation of Føroya Banki's current strategy "A customer focused and sustainable growth" is focused on the Group's three main stakeholders i) the employees, ii) the customers and iii) the shareholders along with due consideration to the fourth underlying stakeholder iv) the two societies, Faroe Islands and Greenland, the Group operates in.

The strategy is to maintain Føroya Banki's strong market position in the Faroe Islands, to consolidate the position in the Faroese insurance market and to become an even more significant financial partner for customers in Greenland. The goal of sustainable growth during the strategy period will be achieved through a targeted strategic focus on good, preferably digital, customer experiences and profitability.

At Føroya Banki, the mission and values are closely connected. Based on the mission, a set of fundamental values are developed that govern the Group's relationships – with customers, partners and communities, as well as interactions within the Group itself.

Core values:

- Teamwork
- Customer commitment

- Enthusiasm

Strategic focus areas

- Customer experience
- Profitability

And based on the execution of the above the long term financial and ESG related main targets are:

- ROE >12%
- Cost/income ratio <53%
- CET1 capital ratio ~23%
- CO2 emissions 0 (Scope 1)

6.1.7.2 Trygd's strategy

To be a competitive non-life insurance partner to corporate customers and private individuals on the Faroe Islands.

6.1.7.3 Skyn's strategy

To deliver high quality real estate brokerage services on the Faroese housing market along with maintaining the position as one the largest brokerage firms active on the Faroese housing market.

6.2 Business Segments

Føroya Banki Group consists of three main business segments: Corporate customer activities, Private customer activities and Insurance activities.

Corporate and private customer activities are defined as:

- all business transactions/trading conducted with corporate/private customers, where the Group generates earnings in the form of interest-rate differentials, commissions, fees or additional brokerage fees;
- returns on equity investments relating to corporate/private customer activities; and
- returns on derivative transactions entered into in order to hedge a market risk on corporate/private customer activities.

Earnings and costs related to treasury and liquidity management and not included in the above business segments.

Insurance activities are defined as all activities in Trygd.

Selected information about Føroya Banki Group's business segments as of the year 2025 is presented on page 61 of Føroya Banki Group's 2025 annual report. See also "*Documents incorporated by reference*".

6.3 Associated companies

Føroya Banki Group has equity investments in the Faroese IT and hosting company Elektron P/F which is jointly owned by the four Faroese banks and the Faroese Government. As of 31 December 2025, Føroya Banki Group held 34 per cent of the shares issued by Elektron P/F.

6.4 Business partners

The bank's primary IT provider is Netcompany Banking Services (abbreviated NBS and formerly SDC – Skandinavisk Datacentral A/S). NBS supplies IT services to a number of Danish, Swedish, Norwegian, and Faroese banks. During 2025, the banks sold their previously jointly owned IT provider, SDC, to Netcompany, after which it became Netcompany Banking Services. Despite the sale, the IT deliveries continue largely unchanged.

Other important business partners in various product and advisory service areas include:

- DLR Kredit A/S (mortgage-credit institution)
- BI Asset Management Fondsmæglerselskab A/S (investment associations)
- Mastercard (payment services)

6.5 Financial statement

The audited consolidated financial statements as at and for the years ended 31 December 2025 and 31 December 2024, together with the interim financial statements for the three-month period ended 31 March 2026 are incorporated in this Prospectus by reference. See "*Documents incorporated by reference*".

6.6 Faroese and Greenlandic Banking Market

The Faroese and Greenlandic banking markets are characterized by having low and stable number of banks being active in these two markets. In the Faroese market, only two larger banks are active, together servicing approximately 80% of the market evenly split between them, with Føroya Banki being one of them. Two minor banks are also active. In the Greenlandic market, only two domestic banks are active – Føroya Banki, approximately holding 20% of the market, and Grønlandsbanken, holding the remaining 80%. In both markets foreign banks are active through cross-border activities and before mentioned market shares are excluding the activities of foreign banks.

Føroya Banki's main competitor in the Faroese market is the Faroese owned Betri Banki and in Greenland it is the listed bank Grønlandsbanken.

6.7 The Board of Directors of Føroya Banki

The Board of Directors of Føroya Banki is composed of nine members, including six elected by the general meeting and three elected by the employees. The term of office for members elected by the general meeting is one year, and for the employee representatives four years.

As at the date of this Prospectus, Føroya Banki's Board of Directors consists of:

Birger Durhuus

Chairman of the Board of Directors

Born: 1963

Gender: Male

Nationality: Faroese

Independent

Education

- 1990 Master of Finance, Copenhagen Business School.

Directorships and other offices

- Since 2024 Birger Durhuus has been Partner at Absolute Return Partners, London.
- For the period, 2017-2024 Birger Durhuus was CEO of Asgard Asset Management, Copenhagen.
- For the period, 2015-2017 Birger Durhuus was advisor at Moma Advisors A/S.
- Birger Durhuus was for the period 2007-2015 Head of External Solutions & Risk Management at Danske Capital.
- For the period 1999-2007 Birger Durhuus was Head of Sales & Research at Nordea Markets.
- For the period 1993-1999 he was Chief Analyst at Nykredit Markets.
- For the period 2009-2015 and the period 2017-2018 Birger Durhuus was chairman of the board of Atlantic Petroleum.

Annfinn Vitalis Hansen

Member of the Board of Directors

Born: 1963

Gender: Male

Nationality: Faroese

Non-independent

Education

- Master of Law, University of Copenhagen

Directorships and other offices

- Lawyer and Partner at LEKS law firm, Faroe Islands
- Annfinn Vitalis Hansen is board member of Ruth Holding ApS, GTM Familie Holding ApS and Sp/f RMV Holding

Marjun Hanusardóttir

Member of the Board of Directors

Born: 1954

Gender: Female

Nationality: Faroese

Independent

Education

- MSc. in Food Science, Royal Veterinary and Agricultural University, Copenhagen
- Diploma in Public Administration, Danish High School of Public Administration
- MSc. Distinction in Management, Robert Gordon University, Aberdeen

Directorships and other offices

- For the period 1996-2021 Marjun Hanusardóttir was Permanent Secretary at The Prime Minister's Office.
- From 1987 until 1996 Marjun Hanusardóttir was Executive Director at the Faroese Food and Environmental Agency.
- Since 2021 she has been member of the Council of The Danish Foreign Policy Society.
- Starting in 2000 and until 2011 Marjun Hanusardóttir was board member of the commercial Fund Nordatlantens Brygge located in Copenhagen, Denmark, while she for the period 1995-1996 was member of an Advisory Council regarding environmental research in the Arctic region, referring to the Danish Minister of Environment and Energy.
- In the period 1990-1996 Marjun Hanusardóttir was member of Nordic working-group of Fishery research established under the Nordic Minister Council.

Árni Tór Rasmussen

Member of the Board of Directors

Born: 1975

Gender: Male

Nationality: Faroese

Non-independent

Education

- Educated within finance, accounting and investments

Directorships and other offices

- Árni Tór Rasmussen is self-employed and CEO at various companies with investment activities.
- CEO at Sp/f RMV Holding.
- Chairman of the board at Sp/f Navigare shipping and P/F Reyni Service.

Kristian Reinert Davidsen

Member the Board of Directors

Born: 1966

Gender: Male

Nationality: Faroese

Independent

Education

- 2002 HD (Graduate Diploma in organization and management).
- Copenhagen Business School.
- 1991 MSc Engineering, E-division, DTU, Denmark.
- 1989 Academy Engineer, ET-division, DIA, Denmark.

Directorships and other offices

- Since 2024 Kristian Reinert Davidsen has been CEO of Faroese Telecom.
- For the period 2015-2024 Kristian Reinert Davidsen was CEO of Tusass (TELE Greenland).
- For the period 2006-2015 he was CEO of Faroese Telecom.

- For the period 2003-2006 he was managing director of the Faroese public transport company – Strandfaraskip Landsins.
- From 1996 to 2003 Kristian Reinert Davidsen was employed at Ericsson in Denmark, working as department manager for Support Services and squad leader for Network Design.
- Kristian Reinert Davidsen is chairman of the board of LBF (Engineering consultancy) and board member of the Telecommunication and IT company P/F NEMA.

Tom Ahrenst

Member of the Board of Directors

Born: 1960

Gender: Male

Nationality: Danish

Independent

Education:

- 2012 Executive Management Program, Columbia Business School.
- 1992 Executive Management Program, Wharton Business School.
- 1985 HD Accounting, Copenhagen Business School.

Directorships and other offices:

- Since 2023 Tom Ahrenst has been senior advisor, EVP for Nykredit.
- For the period 2000-2022 Tom Ahrenst was Executive Vice President at Nykredit, and Senior Vice President from 1997-1999.
- For the period 1978-1997 Tom Ahrenst held various positions in Danske Bank, including Vice President in the Corporate Credit Department.
- Tom Ahrenst is a board member of Core Property Management P/S.

Kenneth Samuelson

Member of the Board of Directors

Born: 1966

Gender: Male

Nationality: Faroese

Elected by the employees for the term 2022-2026

Education:

- Financial education.

Principal occupation:

- Føroya Banki - IT department.

Directorships and other offices: None

Oliver Granhøj

Member of the Board of Directors

Born: 1988

Gender: Male

Nationality: Faroese

Elected by the employees for the term 2026-2030

Education:

- Cand. Oecon. Agro., University of Copenhagen.

Principal occupation:

- Føroya Banki – Credit department.

Directorships and other offices: None

Svend Jacobsen

Member of the Board of Directors

Born: 1966

Gender: Male

Nationality: Faroese

Elected by the employees for the term 2026-2030

Education:

- Financial education.

Principal occupation:

- Føroya Banki – private client advisor.

Directorships and other offices: None

6.8 The Executive Management of Føroya Banki

Turið F. Arge

CEO

Born: 1982

Gender: Female

Nationality: Faroese

Year of joining the Executive Management: 2022

Education:

- MSc in Business Economics and Auditing, Aarhus Business School.
- Executive MBA, Henley Business School.

Principal occupation:

- CEO at P/F Føroya Banki.

Board positions:

- P/F Trygd, P/F NordikLív, P/F Skyn, BI Holding A/S, NFIT A/S and the Faroese Banking organisation

The business address of the members of Føroya Banki's Board of Directors and Executive Management is Oknarvegur 5, 100 Torshavn, Faroe Islands.

6.9 Statement on conflicts of interest

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

6.10 Capital and solvency need

6.10.1 SIFI Status

Given the relative size of the Group's banking activities compared to the Faroese economy, Føroya Banki is designated as a systemically important financial institution (SIFI) and is required to maintain a 2 per cent SIFI buffer as part of its capital buffer requirement as of the date of this Prospectus.

6.10.2 Capital management

Capital management is based on the EU Capital Requirements Regulation (“CRR”), the EU Capital Requirements Directive (“CRD”) and the EU Recovery and Resolution Directive (“BRRD”) all put in to effect by law and/or Royal Decree on the Faroe Islands. As part of capital management, the Group has drawn up a capital plan to ensure that the Group has sufficient capital to comply with current legislation and, at all times, meet its own solvency targets. The legislation concerns:

- Calculation of capital, risk exposures and capital requirements.
- Calculation of individual solvency need.
- Disclosure requirements.

The Group’s capital plan has been supplemented by a recovery plan comprising a number of relevant risk and capital indicators for the Group with associated limit values, stress test scenarios and recovery measures to ensure that the Group is able to identify problems in time and implement measures to ensure the viability of the Group. The Group regularly monitors developments in risk indicators.

Based on legal requirements and the limit values for capital indicators set in the recovery plan, the Group has set an external capital target of a CET1 ratio of 23 per cent and total capital target of 2 percentage points above the regulatory requirement, covering the solvency need plus the total combined buffer requirements as well as an additional excess cover. The capital target corresponds to the yellow light indicator in the recovery plan and ensures that the Group can absorb future capital requirements, e.g. in the form of increased buffer requirements.

With a total capital ratio of 24.6 per cent as of 31 December 2025, the Group thus has an excess cover of 6.7 percentage points. Relative to the statutory requirement of 10.3 per cent, the excess cover is 14.3 percentage points.

The Group’s capital requirement comprises as of the date of this Prospectus a solvency need of 10.3 per cent and the combined capital buffer requirement of 5.6 per cent (exclusive of the SIFI buffer of 2.0 per cent), which currently consists of the capital conservation buffer of 2.5 per cent, the systemic buffer of 2.3 per cent, and the countercyclical capital buffer of 0.8 per cent. The systemic buffer along with the countercyclical buffer are alone effective in respect of Faroese exposures, leaving e.g. out the Greenland exposures. The Faroese exposures are approximately 84% of the Group’s total exposures as of the date of this Prospectus.

The long-term capital planning of the Group is based on economic projections taking account of the Group’s vision, but under different macro-economic and idiosyncratic stress scenarios and recognising the anticipated effects of future legislation.

6.10.3 Own Funds

Overall, the Group’s own funds consist of Common Equity Tier 1 capital, Tier 2 capital and eligible MREL capital. Own funds are calculated with a view to calculating capital ratios that help to express the Group’s capital excess cover in relation to the Group’s targets and regulatory capital requirements.

The audited consolidated financial statements as at and for the years ended 31 December 2024 and 31 December 2025, together with the interim financial statements for the three-month period ended 31 March 2026 are incorporated in this Prospectus by reference. See *“Documents incorporated by*

reference", including the specification of own funds per 31 December 2024 and 2025 in said documents.

Further, the Group's unaudited Risk Management Report 2025 is incorporated in this Prospectus by reference. See "*Documents incorporated by reference*".

6.10.4 Risk exposure amount and capital ratios

The total risk exposure amount (REA) is used to set the minimum capital requirement and to calculate the Group's capital ratios, capital buffers, individual solvency needs and MREL requirement. This risk exposure represents the basis for determining the capital that must be reserved relative to the risk undertaken by the Group involving credit, market, and operational risks.

Føroya Banki Group uses the following methods for calculating the risk exposure:

- The standardised approach for calculating credit risk.
- The standardised approach for calculating market risk.
- The market value method to calculate counterparty risk.
- The basic indicator approach to calculate operational risk.
- The standardised approach for calculating the CVA risk.

The Group's CET1 capital ratio target has been calculated at 23 per cent with a CET1 capital ratio of 23.3 per cent as of 31 December 2025, the Group thus has an excess cover of 0.3 percentage points. Relative to the statutory requirement of 10.3 per cent, the excess cover is 13.0 percentage points.

6.10.5 Individual solvency requirement

The Danish Financial Business Act, the CRD and SREP guidelines determine the requirements for the individual solvency requirement and encompasses any additional capital requirements to cover risks which are not adequately covered by the minimum own funds requirement of 8 per cent according to CRR.

Føroya Banki Group uses the 8+ model which is based on a minimum requirement of 8 per cent of the total risk exposure (pillar 1 requirement). Normal risks are assumed to be covered by the 8 per cent capital requirement. Furthermore, the Group assesses the extent to which additional capital is needed to cover risk areas not included in the 8 per cent requirement (pillar 2). The total capital need is obtained by adding together the capital need according to pillar 1 and pillar 2.

The model is based on the "Guidelines on adequate own funds and solvency need for credit institutions" from the Danish FSA, which determines benchmarks and methods of calculation for any pillar 2 supplements within the following risk areas: Earnings, growth in lending, credit risk, market risk, liquidity risk, operational risk, leverage and regulatory maturity of capital instruments. Solvency need is calculated as the total capital need as a percentage of total risk exposure in accordance with the provisions of the CRR.

The Board of Directors of Føroya Banki determines adequate own funds and the individual solvency need for the Group. The Group assesses that the calculation of the total capital need is sufficient to cover the risks assumed by the Group.

A table showing the capital need per 31 December 2024 and 31 December 2025 are in the Risk Management Report 2025, which is incorporated in this Prospectus by reference. See “*Documents incorporated by reference*”.

6.10.6 Combined buffer requirement

As a result of implementation of CRD in the Danish Financial Business Act as in force on the Faroe Islands, the Group is obliged to comply with the combined capital buffer requirement, which for the Group consists of a capital conservation buffer, the countercyclical capital buffer, the systemic buffer and the SIFI-buffer. The capital buffer requirement can only be met through Common Equity Tier 1 capital. Non-compliance with the capital buffer requirement will result in restrictions on the Group's possibilities to pay dividends and make other distributions.

With the designation as a SIFI, the Group must meet a SIFI buffer requirement of 2 per cent of the total risk exposures. The SIFI buffer is set on the basis of the Group's systemic importance and must be met through Common Equity Tier 1 capital.

The capital conservation buffer helps to ensure a more robust financial sector in terms of capital and constitutes a fixed capital requirement of 2.5 per cent of the total risk exposure. The countercyclical capital buffer along with the systemic buffer is set by the Minister for Industry, Business and Financial Affairs after recommendations from The Systemic Risk Council. In December 2021, the Minister for Industry, Business and Financial Affairs decided that the systemic buffer is set at 2.0 per cent of Føroya Banki's Faroese exposures, and the countercyclical capital buffer was activated at a rate of 1.0 per cent of the Faroese exposures from March 2023. Furthermore, in Greenland, a countercyclical buffer is set at 0.5 per cent of Føroya Banki's exposures in Greenland as of 1 January 2026 and is set to increase to 1.0 per cent as of 1 July 2026. No systemic buffer is currently in place or is expected to be put in place in respect of the Group's Greenlandic exposures.

At the end of 2025, the combined capital buffer requirement consisted of the capital conservation buffer (2.5 per cent), the SIFI buffer (2.0 per cent) and the systemic buffer (2 per cent) and was calculated at DKK 590 million.

6.10.7 Excess cover in relation to the total capital requirement

The Group's total capital ratio amounted to 24.6 per cent at the end of 2025, corresponding to an excess cover of 6.7 percentage points relative to the total capital requirement of 17.9 per cent, comprising the solvency requirement of 8.0 per cent, the supplementary solvency need of 2.3 per cent and the combined capital buffer requirement of 7.6 per cent. The solvency requirement of 8.0 per cent must be covered by at least 4.5 per cent Common Equity Tier 1 capital, while at least 6.0 per cent of the solvency requirement must be covered by Tier 1 capital. Tier 2 capital may account for up to 2.0 per cent. The supplementary solvency need can be covered partly by CET1 capital and partly by Tier 2 capital. The combined capital buffer requirement can only be covered by Common Equity Tier 1 capital.

At the end of 2025, the Group had excess cover of DKK 764 million relative to the Common Equity Tier 1 capital requirement. The excess cover for the Group's Total capital requirement is DKK 516 million.

6.10.8 MREL requirement

According to the Danish Financial Business Act, the Danish FSA and Finansiell Stabilitet are responsible for preparing resolution plans for banks in distress. These plans state that a minimum requirement for own funds and eligible liabilities (MREL) must be determined for the individual bank. The MREL will ensure that a bank in distress has sufficient eligible liabilities to cover losses in the bank and to recapitalise the bank so that critical functions can be continued without using public funds. For SIFIs, an individual resolution strategy has been drawn up. The overall aim of the strategy is to ensure that the Group can be returned to the market as a viable financial institution after restructuring. This will be through recapitalisation of the resolution group on a consolidated basis at resolution group level by writing down and converting creditors' claims.

There is no minimum EU-wide level of the MREL Requirement – each resolution authority is required to make a separate determination of the appropriate MREL Requirement for each resolution group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each credit institution. The resolution strategy for the Føroya Banki Group is single point of entry at the level of the Issuer being the resolution entity and the Issuer and its subsidiaries being the resolution group.

The designation as a SIFI means that the Group will be subject to an MREL Requirement corresponding to the sum of two times the solvency need, the combined buffer Requirement, the capital conservation buffer and the SIFI buffer.

The Danish FSA on 11 December 2025 set the MREL requirement for the Issuer at 24.5 per cent of the Issuer's REA to be met by 1 June 2026. The requirement is phased in as follows:

- 1 June 2025: 23.4 per cent of the Issuer's REA (6.0 per cent of the Issuer's total exposure).
- 1 June 2026: 24.5 per cent of the Issuer's REA (6.0 per cent of the Issuer's total exposure).

The Danish FSA on 11 December 2025 also set a requirement for subordination of the Issuer's own funds and eligible liabilities at 27.9 per cent of the Issuer's total liabilities and own funds to be met by 1 June 2026. The requirement is phased in as follows:

- 1 June 2025: 26.4 per cent of the Issuer's REA.
- 1 June 2026: 27.9 per cent of the Issuer's REA.

According to the Danish FSA's MREL decision regarding the Issuer, the MREL requirement is no longer determined based on the issuer's total liabilities and own funds but as a percentage of the REA and the total exposure, respectively.

The MREL Requirement will be set at the end of each year on the basis of numbers for that preceding year (but may be updated over the year and may change over the year).

The MREL Requirement can be met by, inter alia, Common Equity Tier 1 instruments, Additional Tier 1 Capital instruments, Tier 2 Capital instruments and MREL eligible liabilities, including non-preferred senior instruments and senior preferred instruments with a maturity of more than 1 year. Currently, the Group expects that the requirement for the MREL add-on will be met by issuing non-preferred senior instruments, such as the Notes, and senior preferred instruments. Up to the final phase-in of the MREL add-on on 1 June 2026, the Group expects to have to issue approx. DKK 750 million in non-preferred senior instruments and approx. DKK 200 million in senior preferred instruments to cover the MREL requirement, depending on changes in risk exposures, solvency need and requirements for the countercyclical and systemic capital buffer.

6.10.9 Future capital adequacy rules

On 27 October 2021, the European Commission announced a proposal to amend the CRR and the CRD, also known as Basel IV. The proposal entails that the expected date of entry into force of the amendments will be pushed from 1 January 2023 to 1 January 2025.

The Group uses the standardized approach for calculating risks and has noted that changes to credit risk and market risk have been proposed under the standardized approach, including stricter capital requirements for unutilized credit facilities and exposures secured by mortgages in real property. With current capitalization the Group expects that also after phasing in Basel IV, the Group will meet its capital target.

6.10.10 Leverage Ratio

The leverage ratio is calculated as Tier 1 capital according to the fully phased-in definition, in relation to the total exposure. Through its leverage policy, the Group has set a framework for managing and monitoring the risk of excessive leverage. The aim of the Group's leverage is set in accordance with the Group's risk strategy, and the Group assesses that a leverage ratio of more than 8.0 per cent is appropriate in relation to the Group's business model.

Leverage risk is defined in the CRR, which stipulates that a bank must have a leverage ratio of at least 3.0 per cent.

At the end of 2025, the Group had a leverage ratio of 11.5 per cent and thus meets both the minimum requirement and its leverage target by a solid margin.

6.11 Liquidity

Liquidity Risk is the risk that a lack of funding leads to excessive costs or prevents the Føroya Banki Group from maintaining its business model or fulfilling its payment obligations.

Liquidity Risk is measured and controlled through a range of metrics with applicable limits, including net stable funding ratio (NSFR), liquidity covered ratio (LCR) and LCR-ratio under stress scenarios.

The Group's operations are predominately funded through the following two material funding sources:

- Deposits (retail and corporate deposits).
- Senior funding and MREL eligible debt.
- Shareholders' equity and subordinated debt.

Of the Bank's deposits and other payables as of 31 December 2025 totalling DKK 10,956 mill, DKK 5,551 mill. is covered by the Danish Deposit Guarantee Scheme. The remaining deposits of approximately DKK 5,405 mill. are not covered by a guarantee scheme.

For short-term liquidity in foreign currency, the Group uses money-market funding from other credit institutions.

The below table illustrates the maturity structure of the Group's total funding as of 31 December 2025.

Type	Currency	Nominal value	Booked value (DKK)	Maturity Date	First Call Date
T2	DKK	100.000.000	99.930.000	24-06-2031	24-06-2026
SNP	SEK	300.000.000	206.525.364	31-03-2027	31-03-2026
SNP	DKK	250.000.000	249.141.354	01-12-2030	01-12-2027
SNP	DKK	250.000.000	248.796.875	18-12-2031	18-06-2029
SP	DKK	300.000.000	171.428.571	08-10-2028	N/A
SP	DKK	300.000.000	300.000.000	30-06-2031	N/A
SP	DKK	200.000.000	199.326.354	01-11-2028	01-11-2027

In the coming years, the issuance of NPS instruments will also be a material funding source for the Group.

6.11.1 Net stable funding ratio

The net stable funding ratio (NSFR) focuses on the long-term funding and serves to define the minimum acceptable amount of stable funding, based on the Group's liquidity characteristics of assets and activities over a one-year time horizon. The NSFR-assumptions are defined in CRR.

As of end 2025, the Group's NSFR-ratio was 160.6 per cent.

6.11.2 Liquidity covered ratio

The Group is required to maintain an adequate level of unencumbered high-quality liquid assets that can be converted into cash to meet liquidity needs over a 30-calendar day horizon under a pre-defined significantly severe liquidity stress scenario. This is measured by the Liquidity Coverage Ratio (LCR) which is based on a 30-day liquidity stress scenario, with assumptions defined in the LCR regulation.

The primary focus in the management of the Group's LCR buffer is on the total amount of LCR eligible Level 1 and Level 2 assets whereas the split between Level 1a and other eligible LCR assets is of secondary importance as far as overall compliance is achieved.

Relative to the LCR Regulation, the Group calculated its LCR as of 31 December 2025 at 306.4 per cent compared to the Group's minimum target for LCR of 150 per cent.

6.12 Certain other aspects of the prudential framework applicable to the Issuer

6.12.1 Resolution tools and powers under the BRRD

Recovery and Resolution Directive

The BRRD, including the general bail-in tool and the MREL requirement, has been implemented into Danish law and entered into force in Denmark on 1 June 2015 by the Danish Act on Recovery and Resolution of certain Financial Businesses (and set in force on the Faroe Islands pursuant to the decree no. 1589 of 19 December 2017 and most recently amended by the decree no. 1801 of 28

December 2023 as amended or replaced from time to time) and by amendments to the Danish Financial Business Act as in force on the Faroe Islands.

The BRRD confers substantial powers on national resolution authorities and is designated by Member States with a credible set of tools to intervene sufficiently early and quickly in relation to unsound or failing credit institutions, investment firms, certain financial institutions and certain holding companies (each, a “relevant entity”) to ensure the continuity of the relevant entity’s critical financial and economic functions while minimizing the impact of a relevant entity’s failure on the economy and financial system.

The BRRD contains various resolution powers which may be used alone or in combination where the relevant resolution authority considers that (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe, and (c) a resolution action is in the public interest. A relevant entity will be considered as failing or likely to fail when either: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances). In such circumstances, the relevant resolution authority may use the following resolution tools and powers without the consent of the relevant entity’s creditors: (i) sale of business – which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the relevant entity to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset separation – which enables resolution authorities to transfer assets (including, without limitation, impaired or problem assets) to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximizing their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including the Notes) to equity or other instruments of ownership (the “general bail-in tool”), which equity or other instruments of ownership could also be subject to any future application of the general bail-in tool.

If the relevant resolution authorities implement, or indicate the implementation of, resolution measures or other powers vested in them by the BRRD vis-à-vis the Group, it may have an adverse impact on the rights of the Noteholders and the Issuer’s ability to perform its obligations under the Notes.

Depositor preference and the general bail-in tool

As part of the reforms required by the BRRD, amendments have been made to relevant legislation in Denmark (and put into force on the Faroe Islands pursuant to decree 1584 of 19 December 2017 and decree 1585 of 19 December 2017) to establish a preference in the insolvency hierarchy for certain deposits that are eligible for protection by the Danish deposit guarantee scheme and the uninsured element of such deposits and, in certain circumstances, deposits made in non-EEA branches. In addition, the Danish implementation of the Revised Deposit Guarantee Scheme increased the nature and quantum of insured deposits to cover a wide range of deposits, including certain corporate deposits (unless the depositor is a public sector body or financial institution) and some temporary high value deposits. The effect of these changes is to increase the size of the class of preferred creditors. All such preferred deposits will rank in the insolvency hierarchy ahead of all

other unsecured creditors of the Issuer, including the Noteholders. Furthermore, insured deposits are excluded from the scope of the general bail-in tool. As a result, if the general bail-in tool were exercised by the relevant resolution authority, the Notes would be more likely to be bailed-in than certain other unsubordinated liabilities of the Issuer such as other preferred deposits.

The Insolvency Hierarchy Directive

On 12 December 2017, the European Parliament and the Council of the European Union adopted Directive 2017/2399/EU amending the BRRD (the “**Insolvency Hierarchy Directive**”) as regards the ranking of unsecured debt instruments in insolvency hierarchy. The Insolvency Hierarchy Directive enables banks to issue debt in a new statutory category of unsecured debt which would rank below the most senior debt and other senior liabilities for the purposes of resolution (i.e. “Senior Non-Preferred Obligations”). The directive has been transposed into national law in Denmark and was adopted by the Danish Parliament on 8 June 2018 by Act No. 706 (“**Act 706**”) and became effective on 1 July 2018. Although Act 706 did not originally apply to the Faroe Islands, its relevant provisions have since been brought into force on the Faroe Islands by decree no. 1032 of 29 June 2022, enabling the Issuer to issue such debt instruments, as referred to above, which includes the Notes (see also “*Risk factors relating to the structure of the Notes*” – “*The Notes constitute senior non-preferred debt of the Issuer*”).

Exercise of powers under the BRRD

The BRRD outlines the priority ranking of certain deposits in an insolvency hierarchy. The BRRD establishes a preference in the ordinary insolvency hierarchy, firstly for insured depositors and, secondly, for all other deposits of individuals and micro, small and medium-sized enterprises held in the EEA or non-EEA branches of an EEA bank. These preferred deposits rank ahead of all other unsecured senior creditors of the Issuer in the insolvency hierarchy. Furthermore, the insolvency hierarchy could be changed in the future.

Any application of the general bail-in tool under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on Noteholders will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors. To the extent any resulting treatment of holders of Notes pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder has a right to compensation under the BRRD based on an independent valuation of the relevant entity (which is referred to as the “no creditor worse off principle” under the BRRD). Any such compensation is unlikely to compensate that holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation.

6.12.2 Deposit Guarantee Scheme and resolution fund

On the Faroe Islands and other jurisdictions, deposit guarantee schemes and similar funds (each, a “**Deposit Guarantee Scheme**”) have been implemented from which compensation for deposits may become payable to customers of financial services firms in the event that such financial services firm is unable to pay, or unlikely to pay, claims against it. Revised legislation regarding the Danish Deposit Guarantee Scheme redefines the Danish scheme as a premium based scheme funded by the banking sector itself, such that the participating banks’ (including the Issuer) payments into the scheme will be more stable every year in profit and loss terms. The calculation of premium will be based on each participating bank’s covered deposits and the relevant bank’s risk profile. The premium payments will stop when a target level of 0.8 per cent of covered deposits has been

reached. In addition, the Issuer contributes to the Danish resolution fund established as the Danish resolution financing arrangement under the BRRD, which capital must amount to 1.0 per cent of the covered deposits of all Danish credit institutions. The future target level of funds to be accumulated in Deposit Guarantee Schemes and resolution funds across different EU countries may exceed the minimum levels provided for in the BRRD, Directive 2014/49/EU, as amended from time to time (the “**Revised Deposit Guarantee Schemes Directive**”), and in EU Regulation No 806/2014, as amended from time to time and EU Regulation No 81/2015, as amended from time to time of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the latter of which will be relevant should Denmark choose to participate in the Single Resolution Mechanism). Both the BRRD and the Revised Deposit Guarantee Schemes Directive are implemented in Danish law. Adjustments to the relevant Faroese regulation relating to solvency and liquidity requirements of financial businesses to implement, *inter alia*, the Revised Deposit Guarantee Schemes Directive have been made by executive order no. 561 of 11 May 2023.

On 18 April 2023, the European Commission adopted a proposal to adjust and further strengthen the existing EU bank crisis management and deposit insurance (CMDI) framework (the “**CMDI Proposal**”), and on 25 June 2025, the European Parliament and the Council reached a political agreement on the CMDI Proposal. The CMDI Proposal includes, *inter alia*, certain amendments to the Revised Deposit Guarantee Schemes Directive, including in relation to the coverage of public entities as well as temporary high balances on bank accounts. The CMDI Proposal has not been implemented into neither Danish nor Faroese law as of the date of this Prospectus.

It is still unclear whether Denmark will join the European Banking Union and therefore be a part of the Single Resolution Mechanism. It therefore remains unclear whether the Issuer, being resident in a country outside the EU, can participate under the Single Resolution Mechanism and the Single Resolution Fund or similar schemes and if so the level of costs the Issuer will incur in the coming year in relation to payments to deposit guarantee funds and/or resolution funds on a national or European level.

6.13 Sustainability

Føroya Banki’s ESG approach is rooted in the integration of sustainability across its core business strategy, guided by a formal sustainability policy established in 2022. The Bank works systematically to embed environmental, social, and governance considerations into daily operations. Environmentally, Føroya Banki maintains its commitment to operating with zero direct (Scope 1) emissions, ensuring that all activities continue to be carried out without generating emissions from fossil fuel combustion. Having already transitioned away from traditional heating systems and petrol- and diesel-powered vehicles. Also improving Scope 3 data through collaboration with authorities and industry partners. Social initiatives emphasise employee development, gender equality, and financial literacy in local communities, and governance efforts focus on strong compliance, responsible business conduct, and clear communication with stakeholders. Together, these initiatives demonstrate a long-term commitment to supporting a more sustainable society in the Faroe Islands and Greenland. Føroya Banki embraces this movement and has incorporated ESG initiatives and targets in its current strategy, including

- A target of 0 for direct CO₂ emissions (Scope 1) in 2030. We achieved net-zero CO₂ emissions in 2025, and the goal now is to sustain this achievement going forward

- A reduction in indirect CO2 emissions (Scope 2) from 250 tonnes in 2024 to 188 tonnes in 2030
- A gender diversity on all management levels and board level in the range of 40-60 per cent.

6.14 Credit rating

Føroya Banki is rated by Moody's. On 18 November 2025, Moody's assigned a long-term issuer rating of A3 and a short-term unsecured rating of P-1 with a neutral outlook. These ratings are based on a baseline credit assessment (BCA) of baa2. The credit opinion can be found on Føroya Banki's website and can be accessed through [this link](#).

6.15 Legal and arbitration proceedings

The Føroya Banki Group is and may become involved in various disputes and legal proceedings on the Faroe Islands, in Greenland and other jurisdictions, including litigation and regulatory investigations.

Provisions for legal disputes are recognised where a legal or constructive obligation has incurred as a result of past events, and it is probable that there will be an outflow of resources that can be reliably estimated. The Føroya Banki Group estimates legal disputes on the basis of an evaluation of the most likely outcome. Provisions are measured at the present value of the anticipated expenditure for settlement of the legal or constructive obligation that reflects the risks specific to the obligation.

As at the date of this Prospectus there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the past 12 months, significant effects on the financial position or profitability of the Issuer and/or the Føroya Banki Group, and there have not been any such proceedings within the past 12 months.

7. General Information

- 7.1 The Issuer has obtained all necessary consents, approvals and authorizations in Denmark in connection with the issue and performance of the Notes. The issuance of Notes was duly authorized by a resolution of the Board of Directors of the Issuer passed on 17 December 2025.
- 7.2 There has been no significant change in the financial performance or position of the Issuer or the Group since 31 March 2026, nor has there been any material adverse change in the financial position or prospects of the Issuer since the date of its last published audited financial statements.
- 7.3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) as at the date of this Prospectus which may have, or have had in the past 12 months, significant effects on the financial position or profitability of the Issuer and/or the Group, and there have not been any such proceedings within the past 12 months.
- 7.4 The International Securities Identification Number ("**ISIN**") for the Notes is DK0030564497. The common code for the Notes is 328441306. The Financial Instrument Short Name ("**FISN**") for the Notes is P F FOEROYA BA/3.96/ SEK SNP 2032. Classification of Financial Instruments Code ("**CFI**") for the Notes is DBVUGB.
- 7.5 There are no material contracts entered into in the ordinary course of the Issuer's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes.
- 7.6 The Notes are not subject to any amortisation provisions. Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their Outstanding Principal Amount on the Maturity Date. As the Notes bear interest at a floating rate, it is not possible to calculate an indication of yield for the Notes.
- 7.7 Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which could render the reproduced information inaccurate or misleading. Third-party information contained in this Prospectus has been sourced from the Faroese Economic Council, which is identified where such information is used.
- 7.8 Unless otherwise indicated in this Prospectus, any references to or statements regarding the Group's competitive position have been based on the Issuer's own assessment and knowledge of the market, regions and countries in which it operates.
- 7.9 This Prospectus does not include any statement or report attributed by the Issuer to any person as an expert.
- 7.10 Copies of the following documents (and an English translation of the Articles of Association) will, when published, be available as follows:
- (i) the Articles of Association of the Issuer (available at <https://www.foroyabanki.com/organisation/governance/articles-of-association>);
 - (ii) the memorandum of incorporation of the Issuer (available at <https://www.foroyabanki.com/share-data/debt-and-funding>); and

- (iii) a copy of this Prospectus (available at <https://www.foroyabanki.com/share-data/debt-and-funding>).

The document specified in sub-paragraph (i) is a direct English translation of the Faroese language original. In the event that there are any inconsistencies or discrepancies between the Faroese language version and the English translation thereof, the original Faroese language version shall prevail.

- 7.11 PriceWaterhouseCoopers Statsautoriseret Revisionpartnerselskab, CVR no. 33 77 12 31, represented by state authorised public accountant Benny Voss (mne15009) with its registered address at Strandvejen 44, 2900 Hellerup, Denmark, and Januar Løggilt Grannskoðanarvirki P/F, business registration no. 5821, represented by Fróði Sivertsen (mne32257) with its registered address at Óðinshædd 13, Postrúm 30, 110 Tórshavn, have audited the Issuer's and the Group's accounts, which were prepared in accordance with the International Financial Reporting Standards (IFRS), without qualification, for the financial years ended 2024 and 2025.
- 7.12 The Notes were issued by the Issuer and subscribed by the Arranger on the Issue Date in accordance with an issuance agreement (the "**Issuance Agreement**") dated 20 January 2026. The Arranger has sold the Notes to certain qualified investors. The Issuer has paid certain fees to the Arranger and reimbursed the Arranger for certain expenses incurred in connection with the issuance of the Notes. Furthermore, the Arranger and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of business of its activities, the Arranger and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. The Arranger and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
- 7.13 The total expenses related to the admission to trading of the Notes are estimated by the Issuer to be approximately EUR 5,000.
- 7.14 The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
- 7.15 In this Prospectus, references to websites or uniform resource locators (each a "**URL**") are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Prospectus unless that information is explicitly incorporated by reference into this Prospectus.

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