**PROSPECTUS dated 13 September 2023**

# DNB Bank ASA

(*incorporated in Norway*)

## NOK 650,000,000

## Fixed-to-Floating Rate Perpetual Additional Tier 1 Capital Notes

*Issue Price: 100.00 per cent.*

The NOK 650,000,000 Fixed-to-Floating Rate Perpetual Additional Tier 1 Capital Notes (the "**Notes**") will constitute undated, unsecured and subordinated obligations of DNB Bank ASA (the "**Bank**" or the "**Issuer**"), a public limited liability company organised under the laws of the Kingdom of Norway ("**Norway**"), and will constitute *Fondsobligasjoner* and will be issued on the Terms and Conditions of the Notes set out herein (the "**Conditions**", and references to a numbered "**Condition**" shall be construed accordingly).

The Notes will be denominated in Norwegian kroner ("**NOK**"). The Notes will bear interest from (and including) 14 September 2023 (the "**Issue Date**") on their outstanding principal amount from time to time (i) at the rate of 7.686 per cent. per annum for the period (the "**Fixed Rate Period**") from (and including) the Issue Date to (but excluding) 14 March 2029 (the "**Reset Date**"), payable annually in arrear on 14 September in each year commencing on 14 September 2024, except for a short final coupon in respect of the last fixed rate interest period from (and including) 14 September 2028 to (but excluding) the Reset Date and payable on the Reset Date (the "**Fixed Interest Payment Dates**"), and thereafter (ii) at a floating rate of interest equal to 3-month NIBOR plus a margin of 3.500 per cent. per annum, payable quarterly in arrear on 14 March, 14 June, 14 September and 14 December in each year (subject to adjustment in accordance with the business day convention specified herein) commencing 14 June 2029 (the "**Floating Interest Payment Dates**" and, together with the Fixed Interest Payment Dates, the "**Interest Payment Dates**"), provided that any payment of interest may be cancelled, in whole or in part, in the sole and absolute discretion of the Issuer, and shall be cancelled (in whole or in part) in certain circumstances described in Condition 6 (*Interest Cancellation*) and following the occurrence of a Trigger Event (as further described in Condition 7 (*Loss Absorption Following a Trigger Event*)). The Financial Supervisory Authority of Norway (*Finanstilsynet*) (the "**Norwegian FSA**" or "**NFSA**") may also direct the Bank to exercise its discretion to cancel interest otherwise scheduled to be paid. Interest which has been cancelled in accordance with the Conditions will not accumulate, and holders of the Notes will not at any time be entitled to any such cancelled interest. The Conditions provide for the replacement of NIBOR as the applicable reference rate if a Benchmark Event occurs – see Condition 5.8 (*Benchmark Discontinuation*).

**If at any time the CET1 Ratio of the Bank or the DNB Group (as defined in the Conditions) falls below 5.125 per cent., the Outstanding Principal Amount of the Notes will be Written Down by the Write-Down Amount, as further provided in Condition 7 (*Loss Absorption Following a Trigger Event*). The Outstanding Principal Amount may, in the sole discretion of the Bank and subject to certain conditions, be subsequently reinstated (in whole or in part) out of the profits generated by the Bank or the DNB Group, as further described in Condition 8 (*Discretionary Reinstatement of the Notes*).**

**The principal amount of the Notes may also, in certain circumstances, be written down or converted to common equity tier 1 ("CET1") items by the Norwegian resolution authorities pursuant to the Norwegian implementation of Directive 2014/59/EU as set forth in Chapter 20 of the Financial Institutions Act, as further described herein.**

The Notes will be perpetual with no fixed maturity date. The Bank may, in its sole discretion but subject to compliance with Applicable Banking Regulations, elect to redeem the Notes (in whole but not in part) (i) on any date during the period from (and including) 14 September 2028 (the "**First Call Date**") up to (and including) the Reset Date or on any Interest Payment Date thereafter, (ii) on any date up to (and including) the Reset Date or on any Interest Payment Date thereafter if 75 per cent. or more of the aggregate nominal amount of the Notes originally issued (and, for this purpose, any further Notes issued pursuant to Condition 18 (*Further Issues*) which are, or are to be, consolidated and form a single series with the outstanding Notes shall be deemed to have been originally issued) has been purchased and cancelled in accordance with Condition 9 (*Redemption and Purchase*) or (iii) at any time during the Fixed Rate Period, or thereafter on any Interest Payment Date, following the occurrence of a Tax Event, a Withholding Tax Event or a Capital Event (each as defined in the Conditions). In any such case, the Notes will be redeemed at their Redemption Amount (as defined in the Conditions).

If at any time a Tax Event, a Withholding Tax Event or a Capital Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*), the Bank may, instead of redeeming the Notes as aforesaid, subject to compliance with Applicable Banking Regulations, elect in its sole discretion either to substitute all (but not some only) of the Notes for, or to vary the terms of the Notes provided that they remain or become, Compliant Additional Tier 1 Notes (as defined in the Conditions).

**The Notes are complex and high-risk financial instruments. Investing in the Notes involves significant risks. Please review carefully the sections entitled "*Suitability of Investment*" and "*Risk Factors*" in this Prospectus.**

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. In accordance with Article 25 of the Prospectus Regulation, the Central Bank has been requested to provide the competent authority of Norway with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the provisions of the Prospectus Regulation. This should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU and/or which are to be offered to the public in any Member State of the European Economic Area (the "**EEA**").

Applications have also been made (i) to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the official list of Euronext Dublin (the "**Official List**") and to trading on the regulated market of Euronext Dublin and (ii) to the Oslo Stock Exchange, Oslo Børs, for the Notes to be listed on the regulated market of the Oslo Stock Exchange. The regulated market of Euronext Dublin and the Oslo Stock Exchange are regulated markets for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**").

This Prospectus is valid for a period of 12 months from the date of approval. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid. The Issuer shall have no obligation to supplement this Prospectus once the Notes are (i) admitted to trading on the regulated market of Euronext Dublin and to listing on the Official List of Euronext Dublin and (ii) admitted to trading on the regulated market of the Oslo Stock Exchange and to listing on the regulated market of the Oslo Stock Exchange.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Prospectus, see "*Selling Restrictions*".

**FCA CoCo Restriction / MiFID II professionals/ECPs-only / No UK/EU PRIIPs KID -** The Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, to retail clients in the European Economic Area ("**EEA**") or the United Kingdom (the "**UK**"), where "**retail clients**" is defined in the rules set out in MiFID II and Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"). Prospective investors are referred to the section headed "*Prohibition on marketing and sales to retail investors*" of this Prospectus for further information.

The Notes will be issued in uncertificated, de-materialised book-entry form in denominations of NOK 2,000,000 each and will be registered in the Norwegian Central Securities Depositary, the *Verdipapirsentralen* (the "**VPS**").

The Notes are expected to be rated 'BBB' by S&P Global Ratings Europe Limited ("**S&P**"). In addition, the Issuer has been assigned credit ratings of 'AA- (stable)' by S&P, 'Aa2 (stable)' by Moody's Investors Service (Nordics)

AB ("**Moody's**") and (on an unsolicited basis) 'AA (low) (stable)' by DBRS Ratings GmbH ("**DBRS**"). Each of S&P, Moody's and DBRS is a credit rating agency established in the EEA and registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**EU CRA Regulation**"). As such, each of S&P, Moody's and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the EU CRA Regulation. The Issuer understands that ratings issued by S&P are endorsed by S&P Global Ratings UK Limited, ratings issued by Moody's are endorsed by Moody's Investors Service Limited and ratings issued by DBRS are endorsed by DBRS Ratings Limited. Each of S&P Global Ratings UK Limited, Moody's Investors Service Limited and DBRS Ratings Limited is established in the UK and registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

*Joint Lead Managers*

**DNB Bank ASA** **Nordea**

## IMPORTANT INFORMATION

This Prospectus comprises a prospectus for the purposes of Article 6 of the Prospectus Regulation. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

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

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus.

Certain information under "*Description of the Bank and the DNB Group*" has been extracted from Statistics Norway which is a publicly available third-party source of information and reference to this source is included herein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No person other than the Issuer (in such capacity) has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by DNB Bank ASA (in its capacity as joint lead manager) or Nordea Bank Abp (together, the "**Joint Lead Managers**") as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer (in such capacity).

No person has been authorised by the Issuer or the Joint Lead Managers to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers.

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

The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Issuer nor the Joint Lead Managers undertake to review the financial condition or affairs of the Issuer during the life of the Notes for the benefit of any investor in the Notes. Prospective investors should review, *inter alia*, the documents deemed to be incorporated herein by reference when deciding whether or not to purchase any Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or either of the Joint Lead Managers which is intended to permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the European Economic Area, the United States, the UK, Norway and Japan. For a further description of certain restrictions on offers and sales of the Notes and on the distribution of this Prospectus, see "*Selling Restrictions*".

## PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS

The Notes discussed in this Prospectus are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or beneficial interests therein).

**FCA CoCo restriction**: In the UK, the Financial Conduct Authority ("**FCA**") Conduct of Business Sourcebook ("**COBS**") requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**UK retail client**") in the UK.

**EU PRIIPs Regulation:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97 (as amended or superseded from time to time, 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. Consequently no key information document required by Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**UK PRIIPs Regulation:** The Notes are not intended to be, and should not be, offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. No key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") has been or will be prepared for the Notes, and making the Notes available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II product governance:** Solely for the purposes of the manufacturers' product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; 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 manufacturers' 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.

### Representations, Warranties and Agreements

COBS, MiFID II, the EU PRIIPs Regulation and the UK PRIIPs Regulation are, together, referred to herein as the "**Regulations**".

As used in this section "*Representations, Warranties and Agreements*", "**retail client**" means any of (i) a retail client as defined in MiFID II; (ii) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; and (iii) a UK retail client.

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Notes.

Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein) including the Regulations.

The Issuer and the Joint Lead Managers are required to comply with some or all of the Regulations.

By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or either of the Joint Lead Managers, each prospective investor represents, warrants, agrees with, and undertakes to, the Issuer and each of the Joint Lead Managers that:

1. it is not a retail client;

2. whether or not it is subject to the Regulations:

    i. it will not sell or offer the Notes (or any beneficial interests therein) to retail clients;

    ii. it will not communicate (including the distribution of this Prospectus, in preliminary or final form) or approve any invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client; and

    iii. in selling or offering Notes or making or approving communications relating to the Notes, it may not rely on the limited exemptions set out in COBS; and

3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) the Regulations (as applicable) and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Each prospective investor in the Notes further acknowledges that:

(i) the identified target market for the Notes (for the purposes of the product governance obligations in MiFID II) is eligible counterparties and professional clients only;

(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and

(iii) no key information document under the EU PRIIPs Regulation or the UK PRIIPs Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor may be unlawful under the EU PRIIPs Regulation and the UK PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or either of the Joint Lead Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client(s).

The Regulations must be complied with when selling the Notes to Norwegian investors in Norway.

## SUITABILITY OF INVESTMENT

The Notes are complex and high-risk financial instruments. There are risks inherent in investing in and holding Notes, including the risks in relation to their subordination and the circumstances in which Holders may suffer loss as a result of holding the Notes. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus for a discussion of certain considerations to be taken into account in connection with an investment in the Notes.

Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Prospectus and the merits and risks of investing in the Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in the Notes. Investors should not purchase the Notes unless they understand and are able to bear risks associated with the Notes.

The Notes may be considered by eligible investors who are in a position to give the above representations, warranties and undertakings and to be able to satisfy themselves that the Notes would constitute an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

(i) has sufficient knowledge and experience to make a meaningful evaluation of the 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) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets;

(iv) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where Norwegian kroner (the currency for principal and interest payments) is different from the potential investor's currency; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Sophisticated investors generally do not purchase complex financial instruments that bear a high degree of risk as stand-alone investments. They purchase such financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless they have the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of cancellation of interest and/or Write Down and the value of the Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus.

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

The Notes may be considered by eligible investors who are in a position to give the above representations, warranties and undertakings and to be able to satisfy themselves that the Notes would constitute an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

**Websites**

In this Prospectus, references to websites or uniform resource locators ("**URLs**") 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 expressly stated herein.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### The Merger and the DNB Group

On 1 July 2021 (the "**Merger Effective Date**"), DNB ASA and the Bank merged, with the Bank as the surviving entity.

References in this Prospectus to the "**DNB Group**" refer to:

(i) at any time prior to the Merger Effective Date, the (pre-merger) consolidation of DNB ASA and its subsidiaries as at the relevant time; and

(ii) at any time on or after the Merger Effective Date, the (post-merger) consolidation of the Bank and its subsidiaries as at the relevant time.

References in this Prospectus to the "**DNB Bank Group**" refer to the (pre-merger) consolidation of the Bank and its subsidiaries prior to the Merger Effective Date.

The presentation of any data (financial or otherwise) as at any time, or for any period, should be read accordingly.

### Presentation of Financial Information

Unless otherwise indicated, the financial information in this Prospectus relating to the Bank and the DNB Group has been derived from (i) the audited consolidated and non-consolidated annual financial statements of the Bank and the DNB Group for the financial years ended 31 December 2021 and 2022 (the "**Annual Financial Statements**") and (ii) the unaudited consolidated and non-consolidated interim financial statements of the Bank and the DNB Group for the three- and six-month periods ended 30 June 2023 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**").

The DNB Group's financial year ends on 31 December, and references in this Prospectus to any relevant financial information for any specific year or financial year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") as approved by the EU, and with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, respectively.

### Restatement of 2022 comparative financial information

On 20 April 2023, the DNB Group published restated comparative financial information (including quarterly financial information) for the year ended 31 December 2022 (the "**Restated 2022 Financial Information**") to reflect the implementation of the new standard IFRS 17 Insurance Contracts. At the same time, the DNB Group changed the classification of some financial instruments under IFRS 9. The DNB Group has applied IFRS 17 from 1 January 2023.

The new IFRS 17 rules entail a new measurement method for the DNB Group's life insurance liabilities, whereby estimated future cashflows in the insurance contracts will be discounted using a market-based interest rate. This affects the transition effect as at 1 January 2022, recognised liabilities and future profit and loss. There will also be a change from the previous presentation of the income statement, as operating expenses relating to insurance contracts under the new rules are included in net operating income in the income statement, whereas they were previously presented under operating expenses.

The full implementation effect of IFRS 17, as well as the effect of the changed measurement method for financial assets, reduced the DNB Group's equity at the time of the transition on 1 January 2022 by NOK 9,836 million after tax. The new standard is not applied to the company accounts for DNB Livsforsikring. The transition to IFRS 17 does therefore not affect DNB Livsforsikring's capitalisation, tax base or dividend capacity. See Note G1 to the financial statements of the Bank for the three-month and six-month periods ended 30 June 2023 and Note G52 to the 31 December 2022 annual financial statements of the Bank for more information.

The comparative information for the six months ended 30 June 2022 provided in this Prospectus reflects the Restated 2022 Financial Information. The information for the year ended 31 December 2022 provided in this Prospectus reflects the Restated 2022 Financial Information. All Restated 2022 Financial Information in this Prospectus is unaudited.

**Rounding**

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

**Definitions and interpretation**

In this Prospectus, references to:

- "**NOK**", "**Norwegian kroner**" or "**kroner**" are to the currency of Norway;
- the "**NFSA**" or to the "**Norwegian FSA**" are to The Financial Supervisory Authority of Norway (*Finanstilsynet*) or such successor authority exercising primary supervisory authority with respect to prudential matters in relation to the Issuer and/or the DNB Group, as appropriate; and
- the "**Conditions**" are to the Terms and Conditions of the Notes (and reference to a numbered "**Condition**" shall be construed accordingly).

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.

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.

## BENCHMARKS REGULATION

Interest payable on the Notes from (and including) the Reset Date will be calculated by reference to NIBOR. As at the date of this Prospectus, the administrator of NIBOR (*Norske Finansielle Referanser*) is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**").

## FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, which reflect the current expectation of the DNB Group's management with respect to future events, financial and operating performance and future market conditions. Words such as "believe", "anticipate", "expect", "aim", "project", "expect", "intend", "predict", "target", "may", "might", "assume", "could", "will" and "should" or other variations or comparable terminology are intended to identify forward-looking statements. Forward-looking statements appear in a number of places in this Prospectus including, without limitation, the documents referred to in "*Documents Incorporated by Reference*", "*Risk Factors*" and "*Description of the Bank and the DNB Group*". These forward-looking statements address matters such as:

- the Bank's and the DNB Group's business strategy and financial targets;
- performance of the financial markets;

- future prospects of the Bank and the DNB Group such as growth prospects, cost development under the cost programme and future write-downs on loans; and

- future exposure to credit, market, liquidity and other risks.

By their nature, forward-looking statements involve risk and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. While the Bank has prepared these forward-looking statements in good faith and on the basis of assumptions it believes to be reasonable, any such forward-looking statements are not guarantees or warranties of future performance. The Bank's and/or the DNB Group's actual financial condition, results of operation and cash flows, and the development of the markets in which it operates, may differ materially from those expressed or implied in the forward-looking statements contained in this Prospectus.

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## OVERVIEW OF THE NOTES

*This Overview of the Notes contains a brief description of certain features of the Notes, and is subject to and qualified in its entirety by the information contained in "Terms and Conditions of the Notes". Capitalised terms used but not otherwise defined in this Overview of the Notes shall have the meanings given to them under "Terms and Conditions of the Notes".*

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| **The Issuer:** | DNB Bank ASA (the "**Bank**" and together with its consolidated subsidiaries, the "**DNB Group**").<br><br>Legal Entity Identifier (LEI): 549300GKFG0RYRRQ1414 |
| **Joint Lead Managers:** | DNB Bank ASA<br><br>Nordea Bank Abp |
| **Account Manager:** | DNB Bank ASA, Verdipapirservice |
| **Paying Agent:** | DNB Bank ASA |
| **The Notes:** | NOK 650,000,000 Fixed-to-Floating Rate Perpetual Additional Tier 1 Capital Notes. The Notes constitute *Fondsobligasjoner*. |
| **Issue Price:** | 100.00 per cent. of the principal amount of the Notes. |
| **Issue Date:** | 14 September 2023. |
| **Status of the Notes:** | The Notes will constitute undated, unsecured and subordinated obligations (*Fondsobligasjoner*) of the Bank, will rank *pari passu* without any preference among themselves and will be subordinated on a winding-up as provided below. The Notes do not have the benefit of a guarantee from any person. |
| **Ranking of the Notes:** | <u>*Ranking as Qualifying Additional Tier 1 Obligations*</u><br><br>It is the intention of the Bank that the Notes will, upon issue, qualify as Additional Tier 1 Capital of the Bank and the DNB Group. For so long as the Notes or any part thereof qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Additional Tier 1 Capital of the Bank and/or the DNB Group, they will constitute Qualifying Additional Tier 1 Obligations and shall rank accordingly in the Priority of Claims set out in Condition 4.3 (*Priority of Claims*).<br><br><u>*Ranking upon Disqualification from Additional Tier 1 Obligations*</u><br><br>If, at any time, the Bank or the Norwegian FSA determines that the Notes have ceased to be, or are not, Qualifying Additional Tier 1 Obligations, they shall upon such determination immediately and automatically (without any need for any further action on the part of the Bank or the consent or approval of any Holder) become either Disqualified Additional Tier 1 Obligations or (if the whole or any part of the Notes then qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Tier 2 Capital of the Bank and/or the DNB Group) Qualifying Tier 2 Obligations and shall, with effect from that time, rank accordingly in the Priority of Claims set out in Condition 4.3 (*Priority of Claims*). |

In such circumstances (and unless the Notes have re-qualified as Qualifying Additional Tier 1 Obligations as provided below), the status of the Notes may, in addition, from time to time change from Qualifying Tier 2 Obligations to Disqualified Additional Tier 1 Obligations, or *vice versa*, and rank accordingly in the Priority of Claims set out in Condition 4.3 (*Priority of Claims*), without any further action on the part of the Bank or the consent or approval of any Holder, if the Notes subsequently lose or gain (as applicable) the ability to qualify, in whole or in part, as Tier 2 Capital of the Bank and/or the DNB Group.

*Ranking upon Re-qualification as Additional Tier 1 Obligations*

If, at any time after the Notes have become Disqualified Additional Tier 1 Obligations or Qualifying Tier 2 Obligations, the Bank or the Norwegian FSA determines that the Notes re-qualify as Qualifying Additional Tier 1 Obligations, the Notes shall, upon such determination, immediately and automatically (without the need for any further action on the part of the Bank or the consent or approval of any Holder) constitute Qualifying Additional Tier 1 Obligations and, with effect from such time, the ranking will change such that the Notes rank as Qualifying Additional Tier 1 Obligations in the Priority of Claims set out in Condition 4.3 (*Priority of Claims*).

**No set-off:** Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, netting, compensation or retention (collectively, "**set-off**") in respect of any amount owed to it by the Bank in respect of, or arising under or in connection with, the Notes and each Holder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off.

**Solvency Condition:** No payment of principal, interest or any other amount in respect of the Notes shall become due and payable unless, and to the extent that, the Bank is able to make such payment and still be solvent immediately thereafter, in each case except in the winding-up, dissolution or liquidation of the Bank (the "**Solvency Condition**").

The Bank shall be considered to be "**solvent**" for these purposes if (x) it is able to pay its debts to Senior Creditors as they fall due and (y) its Assets exceed its Liabilities.

**Principal Loss Absorption:** If at any time the CET1 Ratio of the Bank and/or the DNB Group falls below 5.125 per cent. as determined by the Bank (or by the Norwegian FSA or any agent appointed by the Norwegian FSA for the purpose of making such determination) (a "**Trigger Event**"), then the Bank shall immediately notify the Norwegian FSA and, without delay and by no later than one month (or such shorter period as the Norwegian FSA may then require) from the occurrence of the relevant Trigger Event, shall (without the need for the consent of the Holders):

(i) cancel all interest accrued to (but excluding) the relevant Write Down Date (whether or not such interest has become due for payment and including any interest scheduled for payment on the Write Down Date); and

(ii) reduce the then Outstanding Principal Amount of each Note by the relevant Write Down Amount (such reduction, a "**Write Down**" and "**Written Down**" being construed accordingly).

For the avoidance of doubt, if the cancellation of interest pursuant to (i) above would result in an increase in the CET1 Ratio of the Bank and/or the DNB Group (as applicable), any such increase shall be disregarded for the purposes of calculating the Write Down Amount in respect of such Trigger Event.

A Trigger Event may occur on more than one occasion and each Note may be Written Down on more than one occasion. Any such Write Down shall not constitute a default under the terms of the Notes for any purpose.

See Condition 7 (*Loss Absorption Following a Trigger Event*) for further information.

**Discretionary Reinstatement:** _Discretionary Reinstatement_

If, at any time following a Write Down, each of the Bank and the DNB Group records a positive Net Profit, the Bank may, in its sole and absolute discretion, increase the Outstanding Principal Amount of the Notes (a "**Discretionary Reinstatement**") by such amount as the Bank may elect, subject to certain limitations set out in Condition 8 (*Discretionary Reinstatement of the Notes*).

A Discretionary Reinstatement may occur on one or more occasions until the Outstanding Principal Amount of the Notes has been reinstated to the Original Principal Amount.

For the avoidance of doubt, Discretionary Reinstatement shall apply to the Notes only if, and to the extent that, the Notes have been Written Down following the occurrence of a Trigger Event in accordance with the provisions of "*Principal Loss Absorption*" above. If at any time the Notes are written down or converted pursuant to Chapter 20 of the Financial Institutions Act (as further described below), the principal amount by which the Notes are written down or converted pursuant to the Financial Institutions Act shall not be reinstated (whether by way of Discretionary Reinstatement or otherwise) in any circumstances.

See Condition 8 (*Discretionary Reinstatement of the Notes*) for further information.

**Loss Absorption under the Norwegian Financial Institutions Act:** BRRD has been implemented in Norway through Chapter 20 of the Financial Institutions Act with effect from 1 January 2019. The Notes may also be written down or converted to equity by the Norwegian resolution authorities pursuant to Chapter 20 of the Financial Institutions Act (which includes, without limitation, the general bail-in tool or the non-viability loss absorption powers applicable to the write-down or conversion of capital instruments, such as the Notes) – see "*Risk Factors - The Notes may become subject to resolution actions under the Norwegian implementation of BRRD, and may be written down or converted into equity in certain circumstances*".

**Maximum Distributable Amount:** To the extent required under the then-prevailing Applicable Banking Regulations:

(i) in circumstances where the Norwegian Financial Institutions Act §14-3(5) applies, no payments (or deemed payments) will be made on the Notes (whether by way of principal, interest, any additional amounts payable under Condition 11 (*Taxation*), Discretionary Reinstatement or otherwise), and any such payment will be cancelled, if and to the extent that such payment would, when aggregated together with other distributions of the kind referred to in the Norwegian Financial Institutions Act §14-3(5), cause the maximum distributable amount (if any) determined in accordance with the Calculation Regulations §10 (the "**MDA**") then applicable to either the Bank or the DNB Group to be exceeded; and

(ii) in circumstances where the Norwegian Financial Institutions Act §20-9a applies, no payments (or deemed payments) will be made on the Notes (whether by way of principal, interest, any additional amounts payable under Condition 11 (*Taxation*), Discretionary Reinstatement or otherwise), and any such payment will be cancelled, if and to the extent that (1) the Norwegian FSA has, at such time, imposed a maximum distributable amount determined in accordance with the Norwegian Financial Institutions Regulation § 20-7d (an "**M-MDA**") on the Bank and/or the DNB Group and (2) such payment would, when aggregated together with other distributions of the kind referred to in the Norwegian Financial Institutions Act §20-9a(2), cause such M-MDA to be exceeded.

L-MDA restrictions, to the extent implemented under Norwegian law and if the Bank is required to comply with any such applicable restrictions, may also apply.

See "*Risk Factors – Payments on the Notes will be subject to Maximum Distributable Amount restrictions*".

**Interest:** Subject as described below under "*Cancellation of Interest Payments*", the Notes will bear interest from (and including) the Issue Date on their Outstanding Principal Amount from time to time (i) at the rate of 7.686 per cent. per annum for the period (the "**Fixed Rate Period**") from (and including) the Issue Date to (but excluding) 14 March 2029 (the "**Reset Date**"), payable annually in arrear on 14 September in each year commencing on 14 September 2024 (the "**Fixed Interest Payment Dates**") (with a short final coupon payable (subject as aforesaid) on the Reset Date), and thereafter (ii) at a floating rate of interest equal to 3-month NIBOR plus a margin of 3.500 per cent. per annum, payable quarterly in arrear on 14 March, 14 June, 14 September and 14 December in each year (subject to adjustment in accordance with the business day convention specified herein) commencing 14 June 2029 (the "**Floating Interest Payment Dates**" and, together with the Fixed Interest Payment Dates, the "**Interest Payment Dates**").

**NIBOR fallbacks:** In the event that a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to NIBOR or the Screen Rate, then the Bank may (subject to certain conditions) be permitted to substitute NIBOR and/or the Screen Rate (as applicable) with a Successor Rate or Alternative Rate and (in either case) an Adjustment Spread, as further provided in Condition 5.8 (*Benchmark Discontinuation*).

**Cancellation of Interest Payments:**

Optional cancellation of interest

The Bank may elect at any time, in its sole and absolute discretion, to cancel (in whole or in part) any payment of interest otherwise scheduled to be paid on an Interest Payment Date or any other date.

Non-payment of any amount of interest scheduled to be paid on any date will constitute evidence of cancellation of the relevant payment, whether or not notice of cancellation has been given by the Bank.

The Norwegian FSA may also direct the Bank to exercise its discretion to cancel interest scheduled to be paid on an Interest Payment Date or any other date.

*Insufficient Distributable Items*

Payments of interest in respect of the Notes in any financial year (and, if applicable, any additional amounts payable in respect thereof pursuant to Condition 11 (*Taxation*)) shall only be made out of Distributable Items of the Bank (unless otherwise permitted by the then-prevailing Applicable Banking Regulations). The Bank will, to the extent required by the then-prevailing Applicable Banking Regulations, cancel any interest otherwise scheduled to be paid on any date if and to the extent that the amount of such interest (together with any additional amounts payable in respect thereof pursuant to Condition 11 (*Taxation*)), when aggregated together with any interest payments or distributions which have been made or which are required to be paid or made during the then current financial year on all other own funds items of the Bank (excluding any such interest payments or distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items), exceeds the amount of Distributable Items of the Bank as at such date.

*Solvency Condition and Maximum Distributable Amount*

In addition, the Bank will also cancel any interest to the extent required as provided above under "*Solvency Condition*" and "*Maximum Distributable Amount*".

**Interest non-cumulative; no default:**

If the payment of interest scheduled on any date is cancelled, in whole or in part, in accordance with the provisions of "*Cancellation of Interest Payments*", the Bank shall not have any obligation to make such interest payment (or the cancelled part thereof) on such date or any time thereafter, the Bank may use such cancelled interest amounts for any purpose without limitation, and the failure to pay such interest (or the cancelled part thereof) shall not constitute a default of the Bank for any purpose.

Any such interest will not accumulate or be payable at any time thereafter, the Bank will not be obliged to (and will not) make any other payment or settlement in any form in lieu thereof, and holders of the Notes shall have no right thereto whether in a winding-up of the Bank or otherwise.

No such cancellation of interest shall prevent the Bank from making payments of interest, dividends or other distributions on, or from redeeming or purchasing, any obligations, including any obligations which rank *pari passu* with, or junior to, the Notes.

**Redemption:**

The Notes have no fixed maturity date.

The Bank may, upon giving not less than 15 nor more than 30 calendar days' notice to holders, in its sole discretion (and without the requirement for the consent or approval of the Holders) elect to redeem the Notes in whole (but not in part):

(i) on any date during the period from (and including) 14 September 2028 (the "**First Call Date**") up to (and including) the Reset Date or on any Interest Payment Date thereafter; or

(ii) on any date up to (and including) the Reset Date or on any Interest Payment Date thereafter if 75 per cent. or more of the aggregate nominal amount of the Notes originally issued (and, for this purpose, any further Notes issued pursuant to Condition 18 (*Further Issues*) which are, or are to be, consolidated and form a single series with the outstanding Notes shall be deemed to have been originally issued) has been purchased and cancelled in accordance with Condition 9 (*Redemption and Purchase*); or

(iii) at any time during the Fixed Rate Period, or thereafter on any Interest Payment Date, upon the occurrence of a Tax Event, a Withholding Tax Event or a Capital Event,

in each case at their Redemption Amount.

**Purchase:**

The Bank or any member of the DNB Group may at any time permitted by applicable law and regulation (but subject to the provisions of "*Conditions to redemption etc.*" below) purchase Notes in the open market or otherwise and at any price in accordance with applicable laws and regulations, provided that no such purchase will be effected unless the prior approval of the Norwegian FSA is obtained, if then required pursuant to the Applicable Banking Regulations.

**Conditions to redemption etc.:**

Any redemption, cancellation, substitution, variation or modification of the Notes by the Bank, and any purchase of the Notes by the Bank or any member of the DNB Group, will be subject to compliance with all applicable laws and regulations, including the Applicable Banking Regulations (including, if so required thereunder, obtaining the approval of the Norwegian FSA).

In the case of a redemption of the Notes as a result of a Withholding Tax Event or a Tax Event, the tax consequences of such event must also be material and the relevant tax law change must not have been reasonably foreseeable as at the Issue Date. In the case of a redemption of the Notes as a result of a Capital Event, the change in regulatory classification must not have been reasonably foreseeable as at the Issue Date.

If the Bank has elected to repay the Notes but the Solvency Condition is not satisfied in respect of the relevant payment on the date scheduled for repayment, the relevant repayment notice shall be automatically rescinded and shall be of no force and effect and, accordingly, no repayment of the nominal amount of the Notes or any interest thereon will be due and payable on the scheduled repayment date, and the Notes will continue to remain outstanding on the same basis as if no repayment notice had been given.

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| **Substitution and variation** | If at any time a Tax Event, a Withholding Tax Event or a Capital Event occurs, or in order to ensure the effectiveness and enforceability of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*), the Bank may, subject to the provisions of "*Conditions to redemption etc*." above, having given not less than 15 nor more than 30 calendar days' notice to the holders of the Notes, either substitute all (but not some only) of the Notes for, or vary the terms of the Notes provided that they remain or become, Compliant Additional Tier 1 Notes (having terms not materially less favourable to a holder than the terms of the Notes (other than in respect of the effectiveness and enforceability of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*)), as reasonably determined by the Bank). |
| **Enforcement on a winding up:** | There are no events of default under the terms of the Notes.<br><br>If (other than pursuant to an Excluded Winding-up) the Bank is liquidated, dissolved or otherwise wound-up by way of public administration, in each case by a court or agency or supervisory authority in the Kingdom of Norway having jurisdiction in respect of the same, the holder of any Note 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 winding-up together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding commencement of such winding-up and any other amounts payable on such Note under the Conditions (including any damages awarded for breach by the Bank in respect thereof). Such claim shall rank as provided in Condition 4 (*Status and Ranking*).<br><br>A Holder may not itself file for the liquidation or bankruptcy of the Bank.<br><br>For the avoidance of doubt, in a winding-up of the Bank the holders will have a claim for the Outstanding Principal Amount and not for the Original Principal Amount. |
| **Form and Denomination:** | The Notes will be issued in uncertificated and dematerialised book-entry form in the initial denominations of NOK 2,000,000 and will be registered in the Norwegian Central Securities Depository, the *Verdipapirsentralen* ("**VPS**"). |
| **Taxation:** | All payments of principal, interest and any other amounts in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In the event of any such withholding or deduction in respect of payments of interest (but not principal or any other amounts), save as set out in the Conditions, the Bank will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction. |

**Governing Law:** The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law except that (i) the provisions relating to subordination, set-off, the Solvency Condition, Write Down and Discretionary Reinstatement and any non-contractual obligations arising out of or in connection with such provisions, (ii) any other write-down or conversion of the Notes in accordance with Norwegian law and regulation applicable to the Bank from time to time and (iii) Condition 3 (*Form, Denomination and Title*), the creation and issue of the Notes and the registration of the Notes in VPS and the provisions relating to bondholder meetings and any non-contractual obligations arising therefrom or in connection therewith, will in each case be governed by, and construed in accordance with, Norwegian law.

The Notes shall also comply with the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6, as amended or superseded from time to time and the Holders will be entitled to the rights and are subject to the obligations and liabilities which arise under that Act and any related regulations and legislation.

**Agreement with Respect to the exercise of Norwegian Bail-in Powers** By its acquisition of any Note or any beneficial interest therein, each Holder will acknowledge and accept that any liability arising under the Notes may be subject to (i) the exercise of Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority which could include and result in (without limitation) (a) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes, (b) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Bank or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes, (c) the cancellation of the Notes or the Relevant Amounts in respect of the Notes, and (d) the amendment or alteration of the duration of the Notes or amendment of the amount of interest payable on the Notes, or the dates on which interest may become payable, including by suspending or cancelling payment for a temporary period and (ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority.

**Listing and trading:** Applications have been made (i) to Euronext Dublin for the Notes to be admitted to the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin and (ii) to the Oslo Stock Exchange, *Oslo Børs*, for the Notes to be listed on the regulated market of the Oslo Stock Exchange.

**Selling restrictions:** Selling restrictions apply in the European Economic Area, the United States (Regulation S, Category 2), the UK, Norway and Japan – for a further description of restrictions on offers, sales and transfers of the Notes and distribution of this Prospectus, see "*Selling Restrictions*".

**MiFID II Product Governance/EU PRIIPs/UK PRIIPs/FCA CoCo restriction:** Solely for the purposes of the manufacturers' product approval processes, the manufacturers have concluded that: (i) the target market for the Notes is eligible counterparties and professional clients only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. No EU PRIIPs Regulation or UK PRIIPs Regulation key information document has been prepared as the Notes are not available to

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| | retail investors in the EEA or the UK. No sales to UK retail clients under COBS.<br><br>See the section headed "*Prohibition on Marketing and Sales to Retail Investors*" of this Prospectus for further information. |
| **Ratings:** | The Notes are expected to be rated 'BBB' by S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without notice. |
| **ISIN code:** | NO0013013888 |

## RISK FACTORS

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

*In addition, factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are described below.*

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

*Capitalised terms used and not otherwise defined in this section have the meanings given to such terms in "Terms and Conditions of the Notes" or under "Presentation of Financial and Other Information" above.*

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

#### Risks Related to the Macroeconomic Conditions

***Negative economic developments and conditions in Norway and the markets in which the DNB Group operates may adversely affect the DNB Group's business and results of operations and are likely to continue to do so if those conditions persist or recur.***

The DNB Group's business activities are dependent on the level of banking and financial services required by its customers. In particular, borrowing levels are heavily dependent on customer confidence, employment trends, the state of the economy, and market interest rates. The DNB Group's performance is significantly influenced by general economic conditions in Norway and, to a lesser extent, the other countries in which it operates, as well as general global economic conditions as they may affect both the general economic conditions in Norway (being an open and relatively small economy) and particular sectors of the economy that are important to the DNB Group's business, such as the offshore oil and gas sector, shipping and real estate. As the DNB Group currently conducts the majority of its business in Norway, its performance is significantly influenced by the level and cyclical nature of business activity in Norway, which is in turn affected by both domestic and international economic factors (for example, fluctuations in the price of oil and gas, inflation rates and expectations, and interest rate developments), geopolitical events (including the Russian invasion of Ukraine as discussed under "*—The DNB Group's business, financial condition and results of operations may be adversely affected by the Russian invasion of Ukraine and other geopolitical risks*" below) and political events, including trade policy disagreements, for example, between the United States and China, which have a negative impact on the global financial markets.

Mainland GDP in Norway grew by 4.2 per cent. in 2021 and 3.8 per cent in 2022 (*Source: Statistics Norway, 9 June 2023*). Estimated GDP for 2023 and the coming years is uncertain, however recent estimates from Norges Bank suggest growth of 1.2 per cent. in 2023, growth of 0.2 per cent. in 2024 and growth of 0.9 per cent. in 2025 (*Source: Norges Bank, 22 June 2023*). In its World Economic Outlook Update, the International Monetary Fund ("**IMF**") notes that global economic growth is projected to decrease from 3.4 per cent. in 2022 to 2.9 per cent. in 2023, before rising to 3.1 per cent. in 2024. The forecast for slow growth, which is below the historical (2000–2019) average of 3.8 percent, can largely be attributed to interest rate increases by central banks to counter inflation and ongoing effects of Russia's invasion of Ukraine. The IMF also notes that severe health outcomes in China due to still-low population immunity levels to COVID-19 (which could dampen economic recovery), an escalation of Russia's war in Ukraine and tighter global financing costs (which could worsen debt distress) all threaten to undermine global growth. (Source: *The World Economic Outlook Update: Countering the Cost-of-Living Crisis, January 2023, The IMF, 30 January 2023*).

Rising inflation has become a significant issue, both in Norway and globally. In July 2023, the twelve-month inflation rate was 5.4 per cent. (*Source: Statistics Norway, 10 August 2023*). The main drivers of higher inflation were higher prices of food in particular. Core inflation in Norway (i.e. inflation adjusted for tax changes and excluding electricity and fuel) was 6.4 per cent. Continued high inflation may trigger faster and higher interest rate hikes from Norges Bank than those that Norges Bank implemented in 2022 and so far in 2023, and may have a detrimental effect on the growth of the Norwegian economy and, in turn, on the DNB Group's customers. The Norwegian Technical Calculation Committee for Wage Settlements has forecasted an inflation rate of 4.9 per cent., which is used as a basis for the main wage settlements in Norway in 2023 (such as between the United Federation of Trade Unions (*Fellesforbundet*) and the Federation of Norwegian Industries (*Norsk Industri*)). Thus, there is a risk that that real income for households in Norway will decrease in 2023. This may have an adverse effect on the DNB Group's retail customers which could, in turn, adversely affect the DNB Group's business and results of operations. Higher wages as a result of higher inflation will also lead to higher nominal costs for the DNB Group.

*Oil and gas industry*

In particular, the state of the Norwegian economy depends on the performance of the oil and gas industry. The outbreak of COVID-19 and the consequent significant decrease in demand for oil, coupled with the decision of the Organization of the Petroleum Exporting Countries ("**OPEC**") to remove all limits on oil production in March 2020, caused a sharp drop in oil prices in the first half of 2020. However, OPEC scaled back production sharply from April 2020, to re-balance the oil market and support oil prices amid weak demand. In response to increasing oil prices from the end of 2020 through the first half of 2021, OPEC and its allies reached an agreement to increase oil production, with a target of restoring output to pre-pandemic levels by the end of 2022. The agreement provided for an additional 400,000 barrels per day for each month from August 2021, with a total increase in output of about two million barrels per day by the end of 2021. The agreement provided that the monthly increases would continue through the course of 2022. OPEC and its allies further agreed on 3 August 2022 to increase production by an additional 100,000 barrels per day in September 2022 on top of the baseline increases provided for in the agreement. As OPEC production quotas increased during 2022, a significant gap emerged between production quotas and actual production levels as most OPEC countries struggled with their production capacity. Crude oil prices increased in the first quarter of 2022 due to OPEC production agreements, economic recovery and as a result of the conflict between Russia and Ukraine with Brent crude oil prices increasing to U.S.$139.13 per barrel on 7 March 2022, the highest level in almost 14 years. While crude oil prices remained high through the second quarter of 2022, they declined in the third and fourth quarters of 2022, with Brent crude oil prices at U.S.$85.91 per barrel on the last trading day of 2022, as Russia's oil production proved resilient despite sanctions. In response to declining oil prices, on 5 September 2022, OPEC and its allies announced that, due to the recent decline in oil prices, the 100,000 barrels per day increase in production for September 2022 would be rolled back in October 2022, such that production levels in October 2022 would match those of August 2022. However, on 5 October 2022, OPEC and its allies further adjusted overall oil production downward by two million barrels per day from the August 2022 production levels, effective November 2022. On 4 December 2022, OPEC and its allies re-affirmed their oil output targets as agreed at the 5 October meeting. The targets were reviewed more recently at the 3 April 2023 Joint Ministerial Monitoring Committee Meeting and OPEC+ reaffirmed their commitment to the Declaration of Cooperation. The 3 April 2023 meeting also noted voluntary production adjustment announcements of Saudi Arabia, the United Arab Emirates, Russia, Kuwait, Kazakhstan, Algeria, Oman and Gabon, who agreed to cut production by a combined 1.66 million barrels per data through the end of 2023. Global oil demand in 2023 is expected to rebound to above pre-pandemic levels (*Source: The International Energy Agency (IEA)*), with the reopening of China as a key driver.

European natural gas prices have also experienced unprecedented volatility in 2022, particularly as a result of the conflict between Russia and Ukraine. Gas prices increased in the first half of 2022, with the prices at the Dutch TTF hub (a virtual trading point for natural gas in the Netherlands which is widely used as a benchmark for gas prices and contracts across Europe) reaching historic highs in August 2022, and trading above U.S.$500/boe. Since then, prices have declined to approximately the levels they were at in the beginning of 2022 on the back of record high

LNG imports to Europe combined with significant gas demand distribution within the EU. The EU decided in December 2022 to impose a dynamic cap on natural gas prices, which took effect on 15 February 2023 and will be in effect for one year. It remains to be seen whether the price cap will be triggered, as a more balanced gas market and continuously expanding LNG import capacity in Europe are factors indicating that prices will remain below the cap.

There can be no assurance that prices will not decrease further or remain volatile, particularly if production output levels are further modified or demand decreases. As a result, the level of oil and gas investments is highly uncertain, thereby directly impacting the operations and profitability of the DNB Group's clients in the oil, gas and offshore industry, which, as of 30 June 2023, accounted for approximately 3.1 per cent. of total exposure at default (excluding credit institutions) for the DNB Group. Investments in oil and gas in Norway dropped by 6.5 per cent. in 2022, and Norges Bank has estimated that there will be a 5.0 per cent. increase in 2023, a 3.0 per cent. increase in 2024 and a 2.0 per cent. increase in 2025 (*Source: Norges Bank, 22 June 2023*). Significant reductions and/or volatility in oil and gas prices could have a significant impact on oil and gas investments in 2023 and beyond. Low oil and gas prices, high volatility in oil and gas prices and reduced oil and gas-related investments would likely have a material adverse effect on the Norwegian economy and the DNB Group's customers.

*Housing sector*

Due to the outbreak of COVID-19 and lower levels of activity as a result of efforts to contain the outbreak, housing prices dropped by 1.4 per cent. from February 2020 to March 2020. Since March 2020, housing prices increased to an all-time high in May 2021, with an 11.3 per cent. increase for the twelve-month period ending 31 May 2021. Housing prices varied thereafter but increased in the first half of 2023 and reached another all-time high in May 2023 with an increase of 0.1 per cent. since May 2022. Since May 2023, housing prices have dropped by 1.9 per cent., which resulted in a growth in housing prices of 5.7 per cent. so far in 2023. However, housing prices, adjusted for seasonal variations, decreased by 0.6 per cent. in August 2023, signalling a somewhat weaker housing market (*Source: Housing prices statistics, Real Estate Norway, 5 September 2023*). The growth particularly in the first five months of 2023 was evidence of strong household economies, but was also a result of a lower supply of new buildings and less strict lending regulations (see the section "*Lending regulation*" under "*Risks Related to the Legal and Regulatory Environments in which the DNB Group Operates*"). The latest drop in housing prices is an indication of rate increases from Norges Bank having an effect, since floating rate mortgages are becoming more expensive. Higher key policy rates, combined with higher inflation, slower growth in household incomes and higher future demand of new buildings suggest a high degree of uncertainty regarding further developments in housing prices and a drop in housing prices may occur. Stricter regulation of home mortgages may also continue to dampen housing price growth. Historically low interest rates that prevailed until mid-2022 have resulted in a further build-up of household debt, increasing the risk of a bubble in the housing market. Any further correction in housing prices, if accompanied by weakened economic conditions and/or higher unemployment, could have a material adverse effect on the Norwegian economy and on the DNB Group's financial condition.

Household debt ratios in Norway are high, both historically and compared with other countries. Such high household debt levels increase the risk that households will reduce consumption in response to a substantial decrease in housing prices or a pronounced increase in interest rates. An abrupt decrease in household consumption could lead to reduced corporate earnings and debt-servicing capacity, which could result in higher losses on the DNB Group's corporate loans.

*Unemployment*

The unemployment rate in Norway has been at a historically low level in a European context. Due to the outbreak of COVID-19, the unemployment rate increased significantly in the second quarter of 2020, but has since decreased. As at 31 July 2023, the registered unemployment rate was 1.9 per cent. (*Source: Labour and Welfare agency, 4 August 2023)*. The registered unemployment rate is expected to be 1.9 per cent. as at 31 December 2023, 2.3 per cent. as at 31 December 2024 and 2.4 per cent. as at 31 December 2025 (*Source: Norges Bank, 22 June 2023*). Although it is not possible to accurately predict the unemployment rate in future periods, a persistent lower or volatile oil price environment together with any further waves of infection and/or new variants of COVID-19 or macroeconomic consequences from either the Russian invasion of Ukraine and related economic sanctions or general financial instability could have a material adverse effect on the unemployment rate in Norway.

Any or all of the conditions described above could have a material adverse effect on the DNB Group's business, financial condition and results of operations, and measures implemented by the DNB Group might not be adequate to reduce any credit, market and liquidity risks.

***The DNB Group's business, financial condition and results of operations may be adversely affected by the Russian invasion of Ukraine and other geopolitical risks.***

The geopolitical tension between Russia and Ukraine increased in 2021 as Russian military activity in the region increased and Russia demanded guarantees that the North Atlantic Treaty Organization ("**NATO**") should not be expanded. As a result, several NATO countries have increased military troops in the eastern parts of Europe. On 24 February 2022, Russia launched a large-scale invasion of Ukraine. This conflict has impacted and is expected to continue to impact energy prices and energy supply in Europe, which is largely dependent on Russian natural gas and on crude oil. In addition, NATO and other countries have implemented unprecedented economic and other sanctions against Russia in response to the invasion of Ukraine. Examples of such sanctions include a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs and a commitment by certain countries and the European Union ("**EU**") to remove selected Russian banks from the Society for Worldwide Interbank Financial Telecommunications (SWIFT), the electronic banking network that connects banks globally. Many Western companies have also announced the cessation of their Russian businesses and/or their unwillingness to retain interests in Russian assets or to continue dealings with Russian or related counterparties, even where such action is not required by current sanction regimes. The scope and scale of such economic sanctions and voluntary actions by companies remain subject to rapid and unpredictable change and may have considerable negative impacts on global macroeconomic conditions and on European economies and counterparties. Moreover, existing concerns about market volatility, rising commodity prices, disruptions to supply chains, high rates of inflation and the risk of regional or global recessions or "stagflation" (i.e., recession or reduced rates of economic growth coupled with high rates of inflation) have been exacerbated by Russia's invasion of Ukraine. Any of the above factors may have a material adverse effect on the Norwegian economy, the DNB Group's customers and the DNB Group's business, financial condition and results of operations.

At present, it is difficult to ascertain how long the war between Russia and Ukraine may last, or how severe its impacts may become. If the conflict is prolonged, escalates or expands (including if additional countries become involved), or if additional economic sanctions or other measures are imposed, or if volatility in commodity prices or disruptions to supply chains worsen, regional and global macroeconomic conditions and financial markets could be impacted more severely, which in turn could have a more severe effect on the Norwegian economy, the DNB Group's customers and the DNB Group's business, financial condition and results of operations.

Other geopolitical events, such as deteriorating trade relations, could result in volatility in oil prices and in turn negatively impact the global economy. In turn, sluggish global growth and declining world trade could have a dampening impact on Norwegian export industries and the Norwegian shipping industry.

As a result of the various global macroeconomic trends, such as recession or reduced rates of growth, the DNB Group may experience reductions in business activity, increased funding costs, decreased liquidity, decreased access to the wholesale funding markets, decreased asset values, additional credit impairment losses and lower profitability and revenues, which could have a material adverse effect on the DNB Group's business, financial condition and results of operations.

***The consequences of the outbreak of COVID-19 (and possibly other contagious diseases) have had, and may continue to have, an adverse impact on the DNB Group.***

The outbreak of a novel strain of coronavirus, COVID-19, has had a significant adverse impact on global macroeconomic conditions and financial markets and the economic environments in which the DNB Group operates, including in Norway. In March 2020, the WHO characterised the outbreak of COVID-19 as a pandemic. Throughout 2020, 2021 and parts of early 2022, the COVID-19 pandemic resulted in significant volatility in financial and commodities markets. Global GDP contracted for 2020 in response to the economic slowdown caused by the spread of COVID-19 (see also "*—The DNB Group's business, financial condition and results of operations may be adversely affected by the Russian invasion of Ukraine and other geopolitical risks*" above).

At present, it is difficult to ascertain how long the outbreak of COVID-19 may last, or how severe or frequent any waves of infection may become, and consequently the full impact that COVID-19 may have on the global economy, the Norwegian economy and/or the DNB Group's business, results of operations and/or its prospects. If further waves of infection and/or new variants of COVID-19 occur and the measures intended to contain COVID-19 are reinstated for a prolonged period (and in particular if new virus variants arise which spread more easily or against which available vaccines and treatments are less effective or which cause higher rates of hospitalisation or death), global macroeconomic conditions would worsen and the global economy may experience a further significant slowdown or volatility in its growth rate or a further contraction in global GDP.

If the COVID-19 pandemic worsens or there are further significant outbreaks of the pandemic, or other diseases emerge that give rise to similar effects, this could have a further adverse impact on the global economy, the Norwegian economy and/or the DNB Group's business, results of operations and/or its prospects. Impacts to the DNB Group could include: (i) volatility in the financial markets in which it operates (which has in the past had adverse effects on consumer confidence and consumption levels, both in industrial and retail segments in the countries in which the DNB Group operates), (ii) volatility in oil and gas prices, (iii) impacts to the operations of the DNB Group's counterparties, who may as a result default on their obligations due to the DNB Group (such as repayments) and (iv) impacts to the DNB Group's ability to conduct its business. As a result of the foregoing factors, further outbreaks and/or mutations of the COVID-19 virus and/or outbreaks of any other contagious diseases may have a material adverse effect on the DNB Group's business, loan portfolio, financial condition (including capital and liquidity), results of operations and prospects.

The effects of the COVID-19 pandemic may also have the effect of heightening many of the other risks described in "*Risk Factors*". To the extent that the consequences of past government actions intended to counter the effects of the pandemic result in sustained adverse effects on global macroeconomic conditions, financial and commodities markets and the economic environments in which the DNB Group operates, the DNB Group's business, financial position, results of operations, and prospects may be materially adversely affected.

***The DNB Group's customers are affected by developments in trading partner nations.***

Although Norway is not a member of the EU, economic developments within the EU significantly affect Norway and the DNB Group as the EU is one of Norway's principal trading partners and Norway is a member of the broader EEA. Economic conditions in the EU were materially adversely affected by the COVID-19 pandemic during 2020 and 2021 and have been and may continue to be adversely affected by the macroeconomic consequences from the Russian invasion of Ukraine and related economic sanctions. In addition, EU member states and public finances in Europe face many challenges, including those related to demographic and political trends. Economic conditions in the EU are further subject to the risks of slowdown and volatility as a result of the UK's exit from the EU (Brexit), and uncertainty as to whether and to what extent this exit may also negatively impact the European markets. On 8 July 2021, the EFTA countries (Norway, Iceland and Liechtenstein) entered into a new free trade agreement with the UK. The free trade agreement covers trade in goods, services and investment, digital trade, capital movements, government procurement, intellectual property, competition subsidies, small and medium-sized enterprises, good regulatory practices and regulatory cooperation, recognition of professional qualifications, trade and sustainable developments.

Adverse economic developments have affected the DNB Group's business in a number of ways, and such developments may continue to affect, among other things, the income, wealth, liquidity, businesses and/or financial condition of the DNB Group's customers, which, in turn, could reduce the credit quality of the DNB Group's loan (including mortgage loan) portfolio and demand for the DNB Group's financial products and services. See *"—Risks Related to the DNB Group's Loan Portfolio- The DNB Group is exposed to the risk of material deterioration in the quality of its loan portfolio and resulting impairments.*"

Any or all of the conditions described above may have a material adverse effect on the DNB Group's business, financial condition and results of operations, and measures implemented by the DNB Group might not be adequate to reduce any credit, market and liquidity risks.

**Risks Related to the DNB Group's Loan Portfolio**

***The DNB Group's business is significantly affected by credit risk.***

The DNB Group is subject to credit risk, or the risk that the DNB Group's borrowers and other counterparties are unable to fulfil their payment obligations. Adverse changes in the credit quality of the DNB Group's borrowers or counterparties or a general deterioration in Norwegian, U.S., European or global economic conditions, or adverse changes arising from systemic risk in the global financial system, could affect the recoverability and value of the DNB Group's assets and require an increase in the DNB Group's impairments. Any significant increase in the DNB Group's credit risk may have a material adverse effect on its results of operations, financial condition or prospects.

***The DNB Group is exposed to the risk of material deterioration in the quality of its loan portfolio and resulting impairments***

The DNB Group recognises impairments of its loans and guarantees in accordance with IFRS. However, the impairments made are based on available information, estimates and assumptions and are subject to uncertainty, and there can be no assurance that they will be sufficient to cover the amount of actual losses as they occur. For the year ended 31 December 2022, the DNB Group recorded NOK 272 million in net reversals of impairments, mainly due to net reversals in the oil, gas and offshore industry segment, which were partly offset by impairments in the personal customers segment and other industry segments, as compared to net reversals of impairments of NOK 868 million in the year ended 31 December 2021, which were largely influenced by the COVID-19 vaccine roll-out and lifting of lockdown restrictions in 2021. For the six months ended 30 June 2023, there were net impairment provisions of NOK 792 million, compared with net reversals of NOK 798 million for the six months ended 30 June 2022. 82.4 per cent. of the impairments in first half 2023 were due to a provision of NOK 653 million related to a legacy portfolio in Poland. Further adverse changes in the credit quality of the DNB Group's borrowers and counterparties or a decline in collateral values would likely require an increase in impairments, which in turn would adversely affect the DNB Group's financial performance.

Further, actual loan losses and losses on other commitments vary over the business cycle. A significant increase in the size of the DNB Group's impairments, or write-offs of loans and guarantees not covered by impairments, would have a material adverse effect on the DNB Group's business, financial condition and results of operations.

*Oil-related exposures*

As at 30 June 2023, the DNB Group's oil, gas and offshore portfolios together represented approximately 3.1 per cent. of total exposure at default (excluding credit institutions). Oil prices were highly volatile in 2021, 2022, and the first three months of 2023 driven by uncertain supply dynamics between members of OPEC and certain non-OPEC oil-producing countries, the decrease in global demand as a result of the COVID-19 pandemic and the effects of the conflict between Russia and Ukraine. See "— *The DNB Group's business, financial condition and results of operations may be adversely affected by the Russian invasion of Ukraine and other geopolitical risks* " above. Increasing oil and gas prices, combined with improved macroeconomic prospects throughout 2021, enabled restructuring for customers and the reversal of impairment provisions. While crude oil prices increased in the first quarter of 2022 and remained high in the second quarter of 2022 due to OPEC production agreements, economic recovery and as a result of the conflict between Russia and Ukraine, they declined in the second and third quarters of 2022. There can be no assurance that prices will not decrease further or remain volatile, particularly if production output levels are further modified or demand decreases. Developments in oil prices will continue to impact the oil-related industry, and reduced oil prices (and forecasts) could result in a material adverse effect on the cash flows of the companies operating in this industry, leading to a potentially significant impact on oil, gas and offshore companies' profitability, and consequently on their respective credit quality. This could, in turn, lead to an increase in impairments on losses experienced by the DNB Group on its loan portfolio.

*The real estate market*

The DNB Group provides mortgage lending both in the retail and corporate markets. Exposure at default for loans and financial commitments to personal customers represented 52 per cent. of total exposure at default as of 30 June 2023 (of which 47 per cent. of total exposure at default represents mortgage loans). The personal customers industry segment saw impairment provisions of NOK 73 million for the six months ended 30 June 2023, compared to impairment provisions of NOK 130 million in the corresponding period in 2022. The impairment provisions for the six months ended 30 June 2023 could primarily be seen in stage 3 within consumer finance.

As of 30 June 2023, the DNB Group's loans and commitments within real estate (commercial) represented 9.9 per cent. of total exposure at default. Net impairment provisions amounted to NOK 21 million in this segment in the six months ended 30 June 2023, compared to net reversals of NOK 38 million in the corresponding period in 2022.

A decline in the value of real estate, whether as a result of developments in the broader economy and/or a reduction in the availability of credit or otherwise, could reduce the value of the collateral for these loans significantly and, if accompanied by weakened economic conditions and/or higher unemployment, could have a material adverse effect on the quality of the DNB Group's real estate loans. Specifically, the commercial real estate market, particularly the hotel industry, could be adversely impacted by increasing interest rates and inflation. Further, a general decline in the Norwegian economy could result in bankruptcies and lay-offs, which in turn could in turn lead to a material increase in impairments recorded by the DNB Group on its loan portfolio within this sector.

*The shipping industry*

As of 30 June 2023, loans to customers in the shipping sector represented approximately 2.0 per cent. of total exposure at default for the DNB Group. The DNB Group is a leading arranger of finance as well as supplier of credit to the shipping industry. The shipping industry is driven, among other things, by world economic growth and growth in international trade. A downturn in the global economy has historically negatively impacted world trade, and this in turn resulted in a decrease in freight volumes and rates in the shipping industry, and a corresponding decrease in the revenues and values that serve as collateral for lenders in the shipping industry. Any of these adverse effects could have a significant impact on shipping companies' profitability and consequently on their credit quality, and, as a result, lead to an increase in impairments and losses experienced by the DNB Group on its loan portfolio within this sector. Though the DNB Group bases its internal credit analysis of the shipping industry on conservative expected rate estimates, actual rates for the DNB Group's shipping segments have historically been volatile and could be lower than expected. Due to the nature of the supply side the shipping sector is generally cyclical and consists of several sub-segments, currently at different places in the cycle.

***Counterparty defaults could have a material adverse effect on the DNB Group***

The DNB Group routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, funds and other institutional and corporate customers. Many of these transactions expose the DNB Group to the risk that its counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative contract will default on its obligations prior to maturity when the DNB Group has an outstanding claim against that counterparty. In the spring of 2023, the banking sector in the United States and globally came under pressure following the bank failures of certain regional banks in the United States and the takeover of Credit Suisse Group AG by UBS Group AG in a government-brokered transaction (and the losses incurred by Credit Suisse investors). Volatility in the financial sector or changes to the financial condition of financial services counterparties may have an adverse effect on the DNB Group. This counterparty risk may also be exacerbated when the collateral held by the DNB Group cannot be realised, or is liquidated at prices insufficient to recover the full amount of counterparty exposure. As a consequence of its transactions in financial instruments, including foreign exchange rate and derivative contracts, the DNB Group is also exposed to settlement risk and transfer risk. Settlement risk is the risk of losing the principal on a financial contract due to default by the counterparty or after the DNB Group has given irrevocable instructions for a transfer of a principal amount or security, but before receipt of the corresponding payment or security has been finally confirmed. Transfer risk is the risk attributable to the transfer of money from a country other than the country where a borrower is domiciled, which is affected by the changes in the economic conditions and political situation in the relevant countries. Any of the foregoing could have a material adverse effect on the DNB Group's business, financial condition and results of operations.

***The DNB Group is exposed to sectoral and individual borrower credit concentration risks***

The DNB Group has significant credit exposure to certain sectors, with the largest sector being personal customers (primarily residential mortgages), followed to a lesser extent by commercial real estate, oil, gas and offshore. In the event that any of these sectors experiences increasingly difficult business or operating conditions, it could have a material impact on the DNB Group's asset quality and results of operations, financial condition or prospects. Total impairments for the DNB Group in the three months ended 30 June 2023 amounted to NOK 871 million, of which impairments related to exposures within oil, gas and offshore amounted to net reversals of NOK 606 million. Despite net reversals within the oil, gas and offshore segment, the situation within offshore (rig and supply), remains highly challenging with continued over-supply of drilling rigs, supply vessels and similar assets.

In addition, the DNB Group has significant credit exposure to certain individual borrowers. In the event that any of these borrowers experiences increasingly difficult business or operating conditions, it could have a material impact on the DNB Group's results of operations.

**Risks Related to Market Exposure**

***The DNB Group's business is sensitive to volatility in interest rates and to changes in the competitive environment affecting spreads on its lending and deposits***

Changes in interest rate levels, yield curves and spreads affect the DNB Group's lending and deposit spreads. The DNB Group is exposed to changes in the spread between the interest rates payable by it on deposits or its wholesale funding costs, and the interest rates that it charges on loans to customers and other banks. Although both the interest rates payable by DNB Group on deposits, as well as the interest rates that it is able to charge on loans to customers and credit institutions, are in each case mainly floating rates or swapped into floating rates, there is a risk that the DNB Group will not be able to re-price its floating rate assets and liabilities at the same time, giving rise to re-pricing gaps in the short or medium term. If applicable interest rates on deposits are close to zero, which was the case in recent years, it may not be possible in the future to offset in full or in part a decrease in interest rates on loans to customers by a corresponding decrease in interest rates on deposits and/or wholesale funding.

Interest rates are sensitive to several factors that are out of the DNB Group's control, including fiscal and monetary policies of governments and central banks, as well as domestic and international political conditions. These conditions are subject to significant volatility and uncertainty as a result of the unwinding of governmental measures implemented to mitigate adverse economic and monetary effects of the COVID-19 pandemic and tightening of monetary policies in response to increases in inflation rates in Norway, Europe and the U.S. As of the date of this prospectus, the key policy rate is at 4.0 per cent. Norges Bank forecasts an additional rate hike in September 2023, and DNB Markets forecasts that the key policy rate will peak at 4.25 per cent. sometime in 2023 (*Source: DNB Markets, 24 August 2023*).

An increase in interest rates could reduce the demand for credit, as well as contribute to an increase in defaults by the DNB Group's customers. Conversely, a reduction in the level of interest rates may adversely affect the DNB Group through, among other things, a decrease in demand for deposits and an increase in competition in deposit-taking and lending to customers. As a result of these factors, significant changes or volatility in the interest rates could have a material adverse impact on the business, financial condition or results of operations of the DNB Group.

Although the DNB Group regularly measures and monitors these and other market risks, it is difficult to predict changes in economic or market conditions and to anticipate the effects that such changes could have on the DNB Group's financial performance and results of operations. While the DNB Group undertakes hedging operations in order to reduce its exposure to interest rate risk, it does not hedge all its risk exposure and there can be no assurance that its hedging strategies will be successful. If the DNB Group is unable to adjust the interest rate payable on deposits in line with the changes in market interest rates receivable by it on loans, or if the DNB Group's monitoring procedures are unable to manage adequately the interest rate risk, its interest income could rise less or decline more than its interest expense, in which case the DNB Group's results of operations and financial condition or prospects could be negatively affected.

***The DNB Group is exposed to foreign exchange rate risk and the risk of devaluation or depreciation of any of the currencies in which it operates***

Changes in exchange rates, particularly in the NOK-USD and NOK-EUR exchange rates, affect the value of assets and liabilities denominated in foreign currencies, and may affect income from foreign exchange lending and trading.

In 2022, the positive impact of exchange rates on additional Tier 1 Capital totalled NOK 794 million, compared with positive effects of exchange rates on additional Tier 1 Capital totalling NOK 487 million for 2021. The DNB Group's reporting currency is the Norwegian kroner. However, a substantial portion of its assets and liabilities are denominated in currencies other than the Norwegian kroner, giving rise to translation risk. Balance sheet items, including monetary assets and liabilities, of foreign branches and subsidiaries in currencies other than the NOK are translated into Norwegian kroner according to exchange rates prevailing on the balance sheet date, while profit and loss items are translated according to exchanges rates on the transaction date. Changes in net assets resulting from exchange rate movements are recognised in the income statement. A devaluation or depreciation of any such other currency in which the DNB Group operates or in which it has credit exposures may result in significant losses for the DNB Group. In addition, a depreciation of the NOK against other currencies in which loans are made to customers would result in an increase in the DNB Group's loan portfolio, which would result in an increase in risk-weighted assets and have a negative impact on capital ratios. The DNB Group seeks to hedge foreign exchange risk by trying to match the currency of its assets with the currency of the liabilities that fund them. However, there can be no assurance that these hedging activities will be effective in part or in full, and hedge counterparties are subject to credit risk.

In the six months ended 30 June 2023, the average USD/NOK rate and EUR/NOK rate was 10.4682 and 11.3200, respectively. In 2022, the average USD/NOK rate and EUR/NOK rate was 9.6245 and 10.140, respectively. The end of year USD/NOK rate was 8.5326 for 2020, 8.8194 for 2021 and 9.8573 for 2022. The end of year EUR/NOK rate was 10.4703 for 2020, 10.0085 for 2021 and 10.5138 for 2022. As of 31 March 2023, the USD/NOK rate was 10.7712 and the EUR/NOK rate was 11.704.

***The DNB Group is exposed to market risk***

Market risk includes both risk which arises through ordinary trading activities, and risk which arises as part of banking activities, life insurance activities and other business operations. Trading activities in the Bank mainly include market making operations, facilitation of corporate financing, customer risk advisory services and proprietary trading. Market risk in banking activities can be broadly divided into risk related to the management of equity investments and risk stemming from the DNB Group's Treasury function, which arises funding activities, liquidity management, as well as asset and liability management.

The most significant market risk factors are interest rate risk, credit spread risk arising in the bond portfolios and basis swap spread risk from the hedging of currency risk in connection with funding in foreign currencies. The fair value of financial instruments held by the DNB Group, including bonds (government, corporate and mortgage), equities, cash in various currencies, investments in private equity, hedge and credit funds, commodities and derivatives (including credit derivatives), is sensitive to volatility of and correlations between various market variables, including interest rates, credit spreads, equity prices and foreign exchange rates. These variables may also be more volatile in times of market stress and concerns regarding the financial condition of financial services participants. To the extent that volatile market conditions occur, the fair value of the DNB Group's bond, equity and derivative portfolios, as well as other classes of assets, could decrease, and therefore cause the DNB Group to record mark-to-market losses. Future valuations of the assets for which the DNB Group has already recorded or estimated mark-to-market losses, which will reflect the then-prevailing market conditions, may result in significant changes in the fair values of these assets. Further, certain financial instruments are recorded at fair value, which is determined by using financial models incorporating assumptions, judgments and estimations that are inherently uncertain and which may change over time or may ultimately be inaccurate. Any of these factors could require the DNB Group to recognise further mark-to-market losses, which could have a material adverse effect on the DNB

Group's business, financial condition and results of operations. In addition, because the DNB Group's trading and investment income depends to a great extent on the performance of financial markets, volatile market conditions could result in a significant decline in the DNB Group's trading and investment income, or result in a trading loss, which in turn could have a material adverse effect on the DNB Group's business, financial condition and results of operations.

Moreover, due to continued illiquid markets for certain asset classes, the fair value of certain of the DNB Group's exposures could prove difficult to estimate. Valuations in future periods, reflecting then-prevailing market conditions, may result in significant changes in the fair values of the DNB Group's exposure, even in respect of exposures such as credit market exposures, for which the DNB Group has previously recorded valuation losses. In addition, the values of financial instruments are subject to uncertainty as they are based on estimates, assumptions and available information. As a result, estimates of fair value may differ materially both from estimates made by other financial institutions and from the values that would have been used if a market for these assets had been readily available. Thus, the value ultimately realised by the DNB Group may be materially different from the current or estimated fair value. Any such difference could have a material adverse effect on the financial condition and/or liquidity of the DNB Group.

The DNB Group uses fair value hedging to manage interest rate risk on long-term borrowings. In dislocated markets, hedging and other risk management strategies have proven not to be as effective as they are under normal market conditions due in part to the decreasing credit quality of hedge counterparties. Any deterioration in financial market conditions could lead to impairment charges and further mark-downs, and an illiquid market for financial instruments could cause spreads to widen, adversely affecting the pricing of financial instruments.

The DNB Group has implemented risk management methods to mitigate and control these and other market risks to which it is exposed and exposures are constantly measured and monitored. However, it is difficult to predict changes in economic or market conditions and to anticipate the effects that such changes could have on the DNB Group's financial performance and business operations.

**Risks Related to Liquidity and Funding**

***Liquidity risk is inherent in the DNB Group's operations; this risk may be exacerbated by current conditions in the global financial markets***

The DNB Group is dependent on access to sufficient liquidity on acceptable terms in order to be able to meet its obligations as they fall due. This liquidity risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on wholesale funding, changes in credit ratings or market-wide phenomena such as market dislocation or market volatility generally, monetary policy actions by central banks, and volatility in interest rates, credit spreads and/or currency exchange rates.

The DNB Group is dependent on sufficient funding in order to carry out its lending business. The Bank's funding requirements are, as for most commercial banks, largely covered through customer deposits. The DNB Group's ratio of deposits to net loans (excluding short term money market deposits, and the portfolio of its wholly-owned subsidiary DNB Livsforsikring AS ("**DNB Livsforsikring**")) was 74.9 per cent. at 30 June 2023, 75.1 per cent. at 31 December 2022, 75.8 per cent. at 31 December 2021 and 67.3 per cent. at 31 December 2020. Deposits are subject to fluctuation due to certain factors outside the DNB Group's control, such as competitive pressures, loss of customer confidence, depositors' concerns relating to the economy in general, the financial services industry or the DNB Group specifically, ratings downgrades, further deterioration in economic conditions and the existence and extent of deposit guarantees which, under Norwegian law, currently apply to deposits up to NOK 2 million. The Norwegian government has stated that it will try to maintain the limit of NOK 2 million and is still in discussions with the EU in this regard. Any future decrease in the deposit guarantee limit following these discussions may have an adverse effect on the availability of deposits in the Norwegian banking sector, including for the Bank. Any of these factors on their own or in combination could lead to a reduction in the DNB Group's ability to access customer deposit funding on acceptable terms in the future and to sustained deposit outflows within a short period of time, both of which would have a negative impact on the DNB Group's ability to fund its operations and meet its minimum liquidity requirements. In addition, any uncertainty regarding the DNB Group's financial position may lead to withdrawals of deposits, resulting in a funding deficit for the DNB Group.

A substantial part of the DNB Group's liquidity and funding requirements is also met through ongoing access to wholesale lending markets, including issuance of long-term debt market instruments such as covered bonds. The volume of these funding sources, in particular long-term funding, may be constrained during periods of reduced liquidity. Even a perception among market participants that a financial institution is experiencing greater liquidity risk can cause significant damage to the institution. Central banks in Europe, including in Norway, and in North America tightened monetary policy in 2022, reversing markedly from the accommodative monetary policies observed in 2020 and 2021. There can be no assurance that such monetary policies will not have a material adverse effect on the DNB Group's access to wholesale lending markets or the pricing of such funding.

The DNB Group's liquidity could also be impaired by an inability to sell assets or redeem its investments, other outflows of cash or deterioration in the value of its collateral. These situations may arise due to circumstances that the DNB Group is unable to control, such as continued general market disruption, loss in confidence in financial markets, uncertainty and speculation regarding the solvency of market participants, credit rating downgrades or operational problems that affect third parties. Although the DNB Group expends significant effort in liquidity risk management and focuses on maintaining liquidity surplus in the short term, the DNB Group is exposed to the general risk of liquidity shortfalls and cannot ensure that the procedures in place to manage such risks will be suitable to eliminate liquidity risk.

Recent adverse developments affecting the banking industry globally, including the failures of Silicon Valley Bank, Signature Bank and First Republic Bank in the United States and the forced sale in Switzerland of Credit Suisse Group AG and the related write-down of its Additional Tier 1 (AT1) instruments, have resulted in significant volatility in the financial markets. There can be no assurance that the banking industry will not be subject to further strain, particularly given that inflation rates remain high, economic activity remains somewhat muted and major global central banks are continuing their tightening policies. These types of volatile conditions in the global financial markets could have a material adverse effect on the DNB Group, including on the DNB Group's ability to access capital and liquidity on financial terms acceptable to the DNB Group, if at all. If capital markets financing ceases to become available, or becomes excessively expensive, the DNB Group may be forced to raise the rates it pays on deposits to attract more customers and become unable to maintain certain liability maturities. Any such increase in capital markets funding availability or costs or in deposit rates could have a material adverse effect on the DNB Group's interest margins and liquidity and may also impact the DNB Group's ability to retain deposits. In addition, changes in investor and customer confidence can affect the DNB Group's ability to access capital and liquidity. Turbulence in the global financial markets and economy may adversely affect the DNB Group's liquidity, its ability to access capital and liquidity on financial terms acceptable to it and the willingness of certain counterparties and customers to do business with the DNB Group, and the inability of the DNB Group to anticipate and provide for unforeseen decreases or changes in funding sources could have a material adverse effect on the DNB Group's business, results of operations, financial condition or prospects.

***The DNB Group's funding costs and its access to the debt capital markets depend significantly on its credit ratings***

The DNB Group's credit ratings are important to its business. As of the date of this Prospectus, the DNB Group is rated 'Aa2 (stable outlook)' by Moody's, 'AA- (stable outlook)' by S&P and 'AA (low) (stable outlook)' by DBRS (unsolicited).

The DNB Group's business is also significantly affected by the credit rating of DNB Boligkreditt AS ("**Boligkreditt**"). As of the date of this Prospectus, Boligkreditt's outstanding covered bonds were rated 'Aaa' by Moody's and 'AAA' by S&P. There can be no assurance that the rating agencies will not downgrade the ratings of the Bank or the ratings of the Bank's or Boligkreditt's debt instruments (including the Notes) either as a result of the DNB Group's or Boligkreditt's financial position or changes to applicable rating methodologies used by Moody's and S&P and any other relevant rating agency. A rating agency's evaluation of the DNB Group or Boligkreditt may also be based on a number of factors not entirely within the control of the DNB Group or Boligkreditt, such as conditions affecting the financial services industry generally. Any reduction in the Bank's credit ratings or the ratings of its or Boligkreditt's debt instruments, including on an unsolicited basis, could adversely affect the DNB Group's liquidity and competitive position, undermine confidence in the DNB Group, increase its borrowing costs, limit its access to the capital markets, or limit the range of counterparties willing to enter into transactions with it. Such development could have a material adverse effect on the DNB Group's business, financial situation, results of operations, liquidity and/or prospects.

**Other Risks Related to the DNB Group's Business**

***The DNB Group is exposed to systemic risk***

Given the high level of interdependence between financial institutions, the DNB Group is and will continue to be subject to the risk of deterioration in the commercial and financial soundness, or perceived soundness, of other financial institutions. Within the financial services industry, the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by the DNB Group or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the DNB Group interacts on a daily basis. Systemic risk could have a material adverse effect on the DNB Group's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

***The DNB Group is exposed to operational risks, including network interruptions and other failures or inadequacies in risk management and internal control procedures***

The DNB Group's business is dependent on its ability to process a very large number of transactions efficiently and accurately. Operations are carried out through a number of entities and also through internet banking platforms. Internet banking is increasingly important to the DNB Group, as its customers shift away from branch operations and toward internet banking platforms, including mobile banking. Increased digitalisation increases the risk of operational disruptions and cybercrime, which can pose a threat to financial stability.

Operational risk and losses, including monetary damages, reputational damage, increasing regulatory scrutiny, costs and direct and indirect financial losses and/or impairments, can result from a variety of causes, including inadequacies or failures in internal processes, systems (e.g., information technology systems) or licences from external suppliers; fraud or other criminal actions, including identity fraud; employee errors; failure of outsourced services; failure to properly document transactions or agreements with customers, vendors, sub-contractors, co-operation partners and other third parties, or failure to obtain or maintain proper authorisation; customer complaints; failure to comply with regulatory requirements, including but not limited to anti-money laundering, data protection and antitrust regulations, or conduct of business rules; equipment failures; failure to protect the DNB Group's assets, including intellectual property rights and collateral; natural disasters or the failure of external systems, including those of the DNB Group's suppliers or counterparties; and failure to fulfil the DNB Group's obligations, contractual or otherwise. In particular, the DNB Group and its customers have recently been, and may continue to be, affected by a number of serious network problems, including interruptions in network availability, which have adversely affected certain of the DNB Group's internet and mobile banking functions, resulting in intermittent service interruptions and adverse media coverage. See also "*The DNB Group is increasingly dependent on information technology systems, which may fail, may not be adequate to the tasks at hand or may no longer be available*".

Although the DNB Group has implemented risk controls and loss mitigation precautions to address the abovementioned risks, among others, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures which are fully effective in controlling operational risks. Some of the risk mitigating measures that the DNB Group uses are based on historical information and its current policies may not comprehensively address the full impact of the global financial crisis or other unforeseen circumstances. As future developments may significantly differ from observed historical developments, there is a risk that such measures will be inadequate in predicting future risk exposure. Furthermore, risk management methods rely on estimates, assumptions and available information that may be incorrect or outdated. Any failure to successfully execute the DNB Group's operational risk management and control policies could have a material adverse effect on the DNB Group's financial condition and results of operations.

***The DNB Group is increasingly dependent on information technology systems, which may fail, may not be adequate to the tasks at hand or may no longer be available***

Banks and their activities are increasingly dependent on highly sophisticated information and communication technology ("**ICT**") systems, including a significant shift away from physical bank branches and towards greater reliance on internet websites and the development and use of new applications on smartphones. As noted above, internet banking is increasingly important to the DNB Group, as its customers shift away from branch operations and toward internet banking platforms, including mobile banking. ICT systems are vulnerable to a number of problems, such as software or hardware malfunctions, interruptions in network availability, hacking, human error, physical damage to vital ICT centres and computer viruses. incidents of instability of ICT systems or network unavailability could have an adverse effect on the DNB Group's business. In addition, harmonising ICT systems across the DNB Group to create a consistent ICT architecture poses significant challenges.

ICT systems need regular upgrading to meet the needs of changing business and regulatory requirements and to keep pace with possible expansion into new markets and the greater use, development and reliance on information and communication technology more broadly. The DNB Group could face situations where it is not able to implement necessary upgrades on a timely basis, and upgrades may fail to function as planned. In addition to costs that may be incurred as a result of any failure of its ICT systems or technical issues associated with, as well as the general cost of, upgrading its ICT systems, the DNB Group could face fines from bank regulators if its ICT systems fail to enable it to comply with applicable banking or reporting regulations, including data protection regulations.

The DNB Group maintains back-up systems for its operations that are stored at secondary data centre. However, there are limited scenarios, for example in the event of a major catastrophe resulting in the failure of its information systems, which could result in loss of data.

The DNB Group is reliant on its outsourcing contracts for the maintenance and operation of its ICT systems. Should these companies become unwilling or unable to fulfil their obligations under the relevant outsourcing contract, the DNB Group could find the effective functioning of its ICT systems compromised. In particular, the DNB Group and its customers have been, and may in the future become, affected by network problems, which relate to third-party suppliers, and which have affected and might affect in the future certain of the DNB Group's internet banking and cash machine functions, resulting in service interruptions and adverse media coverage. A major disruption to the DNB Group's ICT systems, whether under the scenarios outlined above or under other scenarios, could have a material adverse effect on the normal operation of the DNB Group's business and thus on its financial condition and results of operations.

*Cybercrime*

Similar to all major financial institutions, the DNB Group's activities have been, and are expected to continue to be, subject to an increasing risk of ICT crime in the form of Trojan attacks, phishing, ransomware attacks and denial of service attacks, the nature of which is continually evolving. Cybersecurity risks are foremost related to the DNB Group's internet bank users and include potential unauthorised access to privileged and sensitive customer information, including internet bank credentials as well as account and credit card information. The DNB Group has made investments to address threats from cyber-attacks; however, there can be no assurance that these investments will be successful in part or in full, or without significant additional expenditures. The DNB Group may experience security breaches or unexpected disruptions to its systems and services in the future, which could in turn, result in liabilities or losses to the DNB Group, its customers and/or third parties and have an adverse effect on the DNB Group's business, reputation and results of operations.

***Competition in Norway and in the international markets in which the DNB Group operates could have a negative effect on the DNB Group's business***

The DNB Group faces intense competition in all of its areas of operation (including, among others, corporate and retail banking, investment banking and real estate brokering), both in Norway and the international markets in which it operates. Competition for customer lending and deposits is affected by customer demand, technological changes, the impact of consolidation in the banking industry, regulatory actions and other factors. The DNB Group's competitors are principally commercial and investment banks. Remaining competitive is also dependent on the DNB Group's ability to anticipate and respond to rapid technological changes and evolving industry standards, and to allocate resources to the development of products and services that can be successfully marketed to customers. There can be no guarantee that the DNB Group will be able to anticipate and respond to technological changes or to successfully introduce new products and services in line with on-going market trends and customer demands. The recurrence of a financial crisis could introduce additional competitive challenges, as during such crises many national governments seek to provide support in a variety of forms to banks organised in their jurisdictions. Depending on the level of government support and the financial strength of the banks in question, this support could strengthen the competitive position of these banks and intensify the competition faced by the DNB Group. Competition has further increased with the emergence of additional distribution channels such as internet and mobile telephone banking, digital banking, payment platforms and payment products.

In addition, the spread of COVID-19 and the conflict between Russia and Ukraine has resulted in substantial fluctuations in the global markets. High levels of uncertainty have coincided with lower or negative growth and tighter financial conditions. If the DNB Group is unable to provide competitive product and service offerings and successfully respond to technological developments, it may fail to attract new customers and/or retain existing customers, experience decreases in its interest income and fee and commission income, and/or lose market share, the occurrence of any of which could have a material adverse effect on its business, financial condition and results of operations. Although the DNB Group believes that it is in a strong position to continue to compete in the markets in which it operates, there can be no assurance that it will be able to continue to do so.

***The DNB Group could fail to attract or retain suitably qualified senior management or other key employees***

The DNB Group's performance is, to a large extent, dependent on the talents and efforts of highly skilled individuals, and the continued ability of the DNB Group to compete effectively and implement its strategy depends on its ability to attract new employees and retain and motivate existing employees. Competition from within the financial services industry, including from other financial institutions, as well as from businesses outside the financial services industry for key employees is intense. Any loss of the services of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel in the future or the need to replace any senior management as a result of failures or perceived failures in management of the DNB Group could have an adverse effect on the DNB Group's business.

***The business operations of DNB Livsforsikring are exposed to significant risks, many of which are outside of DNB Livsforsikring's and the DNB Group's control.***

The DNB Group is subject to several risks related to the business operations of its wholly-owned subsidiary DNB Livsforsikring AS ("**DNB Livsforsikring**"). DNB Livsforsikring offers life and pension insurance, unit-linked insurance and non-life insurance.

The business operations of DNB Livsforsikring are subject to financial risks and insurance risks, as well as general operational risks and business risks. Financial risk is the risk that the return on financial assets will not be sufficient to meet DNB Livsforsikring's contractual obligations. Insurance risk relates to changes in future insurance payments, mainly due to changes in life expectancy and disability rates.

The insurance risk in DNB Livsforsikring is in varying degrees divided between policyholders and the company. Insurance risk arises when empirical data for mortality, disability and lapse risk deviate from the assumptions underlying the calculation base for insurance premiums and provisions. When these assumptions overstate DNB Livsforsikring's contractual obligations, thereby generating a surplus, part of the surplus can be allocated to DNB

Livsforsikring's risk equalisation fund. The risk equalisation fund cannot exceed 150 per cent. of DNB Livsforsikring's total risk premiums for each fiscal year. When these assumptions understate DNB Livsforsikring's contractual obligations, thereby generating a deficit, the risk equalisation fund can be used. The risk equalisation fund does not apply to insurance contracts with a maximum term of one year, disability pensions and dependent's pensions with no accrued entitlement or individual contracts sold prior to 1 January 2008.

DNB Livsforsikring carries the risk of fulfilling its commitments in contracts with policyholders. Technical provisions related to guaranteed benefits have annuities with a fixed technical rate. The return on assets backing liabilities must be sufficient to meet the technical rate on a yearly basis. Otherwise, inadequate returns will have to be covered by DNB Livsforsikring by applying unrealised gains fund, additional allocations, equity or subordinated loan capital. Measured in relation to customer funds, DNB Livsforsikring's average technical rate on annuities was 3.0 per cent. as at 30 June 2023.

Unpredictable events, such as natural disasters, extreme weather events, industrial explosions, terrorist attacks, and similar events may cause an unexpected and substantial increase in insurance claims under policies written by DNB Livsforsikring which may in turn cause it to incur substantial losses.

DNB Livsforsikring is exposed to the risk of a material decrease in the availability and amount of reinsurance and a material increase in the cost of reinsurance. Furthermore, DNB Livsforsikring is subject to counterparty risk in relation to its current and future reinsurers as the insolvency or inability of reinsurers to meet their financial obligations could have an adversely effect on DNB Livsforsikring's business, results of operations, financial condition or prospects. There is also a risk that DNB Livsforsikring's reinsurance agreements may not be renewed, or renewed at less favourable terms.

Failure to maintain existing governmental licenses, permissions and authorizations, or failure to obtain or renew any required licenses, permissions and authorizations in the future, could result in DNB Livsforsikring not being able to conduct its business operations. Furthermore, the realisation of any of the foregoing risks and/or any disruption to the business operations of DNB Livsforsikring could materially adversely affect DNB Group's business, results of operations, financial condition or prospects.

***The business operations of DNB Asset Management are exposed to significant risks.***

The DNB Group is subject to several risks related to the business operations of its wholly-owned subsidiary DNB Asset Management AS ("**DNB Asset Management**"). As of 30 June 2023, DNB Asset Management manages approximately EUR 75 billion in investment strategies including discretionary mandates within Nordic and global asset classes, both long-only equities, long/short equities, investment grade and high yield corporate bonds, multi-assets, multi-manager portfolios and alternative investments.

The business operations of DNB Asset Management are subject to several risks, particularly financial risks and operational risks. There is a risk that the portfolio management services and the investment advisory services provided to DNB Asset Management's customers will not be successful, which could result in DNB Asset Management's customers losing all or parts of their initial investment. Such a scenario can result in financial losses, loss in reputation and potential litigation for DNB Asset Management. Furthermore, the funds operated by DNB Asset Management cover a wide range of sectors and markets which can be highly volatile, and any changes in international, national or local economic, political and other conditions may adversely affect its portfolio management services and investment advisory services. For more information, please see "*Negative economic developments and conditions in Norway and the markets in which the DNB Group operates may adversely affect the DNB Group's business and results of operations and are likely to continue to do so if those conditions persist or recur*".

DNB Asset Management's investments, all of which are made on behalf of securities funds and discretionary portfolios managed by DNB Asset Management, are subject to interest rate risk and currency risk. If the values of DNB Asset Management's fixed income securities vary inversely with changes in interest rates, DNB Asset Management's cash flow, the fair value of its investments and its operating results could decrease. In addition, currency risk could cause the value of DNB Asset Management's investments in currencies other than NOK to decrease regardless of the inherent value of the underlying investments.

The utilisation of hedging and risk management transactions may not be successful, which could subject DNB Asset Management's investment portfolio to increased risk or lower returns on its investments and in turn cause a decrease in the fair value of its assets. As stated above, all of DNB Asset Management's investments are made on behalf of securities funds and discretionary portfolios managed by DNB Asset Management.

If any of DNB Asset Management's permits or licenses expire or are withdrawn, such as its UCITS and MiFID II licenses, DNB Asset Management may lose its ability to carry out its fund and portfolio management and investment advisory services which would likely have a material adverse effect on its business.

Any misconduct by employees of DNB Asset Management or at the companies in which DNB Asset Management has invested could harm DNB Asset Management by impairing its ability to attract and retain customers and subjecting it to significant legal liability and reputational harm. Further, any failure by DNB Asset Management to deal appropriately with conflicts of interest in its portfolio management and investment advisory services could damage its reputation and adversely affect its business.

The realisation of any of the foregoing risks and/or any disruption to the business operations of DNB Asset Management could materially adversely affect DNB Group's business, results of operations, financial condition or prospects.

***Risks related to climate change.***

The physical and transition risks of climate change are becoming ever more apparent and have the potential to pose a significant threat to the DNB Group's business as well as to the DNB Group's customers, without a coordinated and timely response from governments and other stakeholders.

Climate change, and businesses' response to the emerging threats, are under increasing scrutiny by governments, regulators, activists and the public alike. Physical climate risks arising from extreme weather events or chronic climate changes could impact the DNB Group's customers in the form of lower revenues due to supply chain disruption and other impacts that strain production and lower revenues and higher costs for its customers owing to physical plant impairment and workers' health, safety and other workforce-related problems. These risks could also lead to damage to the DNB Group's customers' property or operations, which could impair asset values and the creditworthiness of customers leading to increased default rates, delinquencies, write-offs and impairment charges in the DNB Group's portfolios. In addition, the DNB Group's premises and resilience may also suffer physical damage due to weather-related events leading to increased costs for the DNB Group.

The transition to a low-carbon economy, driven by policy, technological or market changes, and necessary to mitigate physical risks, may itself have a negative impact on the DNB Group's customers. In addition, customers in high-emission sectors risk demands for rapid changes which may lead to stranded assets and pressure on business models and earnings potential. Transition risk can be further subdivided into:

- Credit risks: credit exposure could increase if climate-related risk drivers reduce borrowers' ability to repay and service debt (income effect) or banks' ability to fully recover the value of a loan in the event of default (wealth effect).

- Market risks: climate change could imply a reduction in financial asset values, including the potential to trigger large, sudden and negative price adjustments where climate risk is not yet incorporated into prices. Climate change could also lead to a breakdown in correlations between assets or a change in market liquidity for particular assets, undermining risk management assumptions.

- Liquidity risks: banks' access to stable sources of funding could be reduced as market conditions change. Climate-related risk drivers may cause banks' counterparties to draw-down deposits and credit lines.

- Operational and regulatory risks: increasing legal and regulatory compliance risk associated with climate-sensitive investments and businesses.

- Reputational risks: could also arise from shifting sentiment among customers and increasing attention and scrutiny from other stakeholders (investors, regulators, etc.) on its response to climate change.

The DNB Group classifies the following five industry groups as the most exposed to climate change risks: (i) commercial and residential property, (ii) oil, gas and offshore, (iii) shipping, (iv) power and renewables and (v) building and construction.

The DNB Group considers market risk to be the most prominent risk for commercial property, while it deems regulatory risks stemming from changes to requirements in building standards to be most prominent in residential property. With regard to the oil, gas and offshore industry, as well as the shipping industry, the DNB Group considers that regulatory risk, challenges stemming from the adoption of new technology, and market risk are the main risks. In the renewable energy sector, as well as in the building and construction industry, the DNB Group considers market risk and regulatory risk to be the main risks.

Both transition risk and physical risk can have significant financial consequences, which can affect financial institutions, for example through loan defaults, decreased collateral values, credit impairments, investment losses and higher insurance settlements. In the short to medium term, transition risk is more significant than physical risk for the DNB Group.

Further, governments and regulators may introduce increasingly stringent rules and policies designed to achieve targeted outcomes, which could increase compliance costs for the DNB Group, drive asset impairments and result in regulatory fines or other enforcement action if the DNB Group is unable to implement adequate reforms sufficiently quickly. Legislative or regulatory changes regarding how banks manage climate risk or otherwise affecting banking practices may result in higher regulatory, compliance and credit costs.

The perception of climate change as a risk by society, shareholders, customers, governments and other stakeholders continues to increase, including in relation to the financial sector's operations and strategy. This may result in increased scrutiny of the DNB Group's activities, including companies to which it lends. The DNB Group's reputation may be harmed if its efforts to reduce environmental and social risks are deemed to be insufficient. For example, the DNB Group's reputation may be adversely affected due to its financing of businesses that are perceived to adversely affect the environment, such as oil and gas companies.

How the DNB Group assesses and responds to these developments and challenges could increase the DNB Group's costs of business, and a failure to identify and adapt the DNB Group's business to meet new rules or evolving expectations, or any perception that the DNB Group is under-performing relative to its peers or failing to meet the objectives under its sustainable strategy, could result in reputational damage and/or risk of legal claims.

***The Issuer is subject to environmental, social and governance risks that could adversely affect its reputation and business.***

The Issuer is subject to a variety of risks arising from environmental, social and governance matters or "ESG" matters. In recognition of such risks, the Issuer has taken a number of actions, including those intended to manage its carbon footprint, and has sought to engage in sustainable lending and investment activities, specifically including supporting renewable energy projects. However, the Issuer cannot guarantee the success of these actions, nor can it make any assurances that its regulators, investors or other third parties, such as environmental advocacy organisations, will find such initiatives to be sufficient. Further, the Issuer may be exposed to negative publicity based on the identity and activities of the Issuer's customers and business partners, and the public's view of their approach and performance with respect to ESG matters. This may have a negative impact on the Issuer's reputation, which in turn could have an adverse effect on the Issuer's ability to attract and retain customers and employees and, therefore, an adverse effect on the Issuer's business, results of operations, financial condition or prospects.

In addition, regulatory authorities, including the Norwegian Financial Supervisory Authority ("**NFSA**"), have been increasingly focusing on ESG matters and have communicated their expectations of larger financial institutions (such as the DNB Group) to measure, monitor and manage climate related risk as part of their enterprise risk management processes. This increased focus may subject the Issuer to increased regulatory scrutiny and additional compliance costs, which could have a material adverse effect on the Issuer's business, results of operations, financial condition or prospects.

**Risks Related to the Legal and Regulatory Environments in which the DNB Group Operates**

***The financial services industry is subject to intensive regulation, including capital adequacy regulation, and the regulatory framework is subject to change.***

The DNB Group's business is subject to on-going regulatory and associated risks. The DNB Group is subject to financial services laws and regulation (including, but not limited to, those relating to capital adequacy, conduct of business, anti-money laundering, payments, consumer credits, reporting, and corporate governance), as well as administrative actions and policies in Norway and in each other jurisdiction in which the DNB Group carries on business. The NFSA is the DNB Group's primary regulator, although DNB Group is also subject to the supervision of regulators in each country where it has a subsidiary, branch and/or representative office.

The DNB Group is required to maintain certain capital adequacy ratios, which are calculated in accordance with Basel III requirements, as implemented in Norwegian law and regulations. For more information on Basel III, see "*Supervision and Regulation-Capital Requirements-Capital adequacy and liquidity requirements – Norwegian requirements-Further Basel III changes*". Any increase in the DNB Group's risk-weighted assets due to, among other things, a reduction in the internal credit ratings of borrowers, market volatility, widening credit spreads, changes in foreign exchange rates, decreases in collateral values, or further deterioration in the economic environment, could reduce the DNB Group's capital adequacy ratios. If the DNB Group were to experience a reduction in its capital adequacy ratios for any reason (including due to a change in the regulatory capital framework, as described below), it may have to reduce its lending or investments in the other operations segment, which could have a material adverse effect on the DNB Group's business, financial condition, results of operations, and/or prospects, or, in more severe circumstances, require the DNB Group to raise further capital.

Changes in the supervision and regulation of financial institutions, particularly in Norway, could materially affect the DNB Group's business, the products and services offered or the value of its assets. Areas where changes or developments in regulation and/or oversight could have an adverse impact include, but are not limited to (i) general changes in government and regulatory policies or regimes which may significantly influence investment decisions or may increase the costs of doing business in the Nordic markets and other European markets, and such other markets where the DNB Group carries out its business, (ii) changes in the capital adequacy framework and imposition of onerous compliance obligations, (iii) changes in competition and pricing environments, (iv) differentiation among financial institutions by governments with respect to the extension of guarantees of customer deposits and the terms attaching to such guarantees, and (v) expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership, producing legal uncertainty, which in turn may affect demand for the DNB Group's products and services.

The Norwegian government and regulatory authorities may also impose measures on economic actors and financial institutions in Norway intended to address any future consequences of the COVID-19 pandemic, or similar events which may limit the DNB Group's operations or impose obligations that could have an impact on its business and results of operations. For example, the authorities may re-impose restrictions on dividend distributions.

*Lending Regulation*

With effect from 1 January 2021, the Home Mortgage Regulations and the Consumer Loan Regulations, together governing lending activities in Norway, were combined in a joint Lending Regulation that will, unless extended or cancelled, be in effect until 31 December 2024. The regulation sets forth certain restrictions and requirements on lending to personal customers, including total debt serving capacity, leverage ratio, loan to value and amortisation, which limit banks' discretion in lending decisions. The regulation was revised in the autumn of 2022, with the following changes to note that took effect from 1 January 2023:

- The interest stress test for residential mortgages was changed from 5 percentage points in all instances to 3 percentage points, provided, however, that the interest used for the calculation should never be lower than 7 per cent. This means that if the market interest rate is higher than 4 per cent., the calculation should be made at the market interest rate plus 3 percentage points, and if the market interest rate is lower than 4 per cent., the calculation should be made with an interest rate of 7 per cent.

- Specific requirement of maximum LTV of 60 per cent. for residential mortgages in Oslo no longer applicable.

- The regulation is only applicable to consumers.

From 1 July 2023, the regulation also includes mortgages with security in assets other than houses, for example, cars and boat loans.

Tighter regulation of lending practices by banks could lead to the provision of credit from new sources or in new forms that are not covered by the regulation, thus increasing competition in the mortgage market. Increased competition may cause the DNB Group to fail to attract new customers and/or retain existing customers, experience decreases in its interest income and fee and commission income, and/or lose market share, the occurrence of any of which could have a material adverse effect on its business, financial condition and result of operations. See "*Risk Factors—Other Risks Related to the DNB Group's Business— Competition in Norway and in the international markets in which the DNB Group operates could have a negative effect on the DNB Group's business*".

*Capital adequacy and liquidity requirements – Background*

On 19 June 2020, the European Council announced the adoption, by way of Regulation (EU) 2020/873, which further amended the Capital Requirements Regulation (EU) No. 575/2013 (the "**CRR**"), of exceptional rules to facilitate bank lending in the EU in order to support households and businesses in recovering from the COVID-19 crisis. The Regulation entered into force on 27 June 2020. The amendments to CRR, commonly referred to as the "**CRR Quick Fix**" package, include, among other things, changes to the minimum amount of capital that banks are required to hold for non-performing loans (NPL) under the "prudential backstop", the extension by two years of transitional arrangements related to the implementation of the international accounting standard IFRS 9, additional flexibility for supervisors to mitigate negative effects of the extreme market volatility observed during the COVID-19 pandemic, and the earlier introduction of some capital relief measure for banks under the CRR as amended by Regulation (EU) No. 2019/876 ("**CRR 2**").

On 11 June 2021, the CRR Quick Fix package was adopted in Norway as part of the implementation of the directive 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 EU on 27 June 2013 ("**CRD IV**") as amended by Directive (EU) No. 2019/878 ("**CRD V**"), CRR 2 and Directive (EU) 2019/879 ("**BRRD 2**"). These amendments entered into force from 1 June 2022. The CRR Quick Fix package only had minor impacts on the DNB Group's CET1 ratio.

*Capital adequacy and liquidity requirements – Norwegian requirements Pillar 1 Minimum Capital Requirements and buffer requirements*

At the international level, a number of regulatory and supervisory initiatives have been implemented in recent years in order to increase the quantity and quality of capital, and raise liquidity levels in the banking sector. Among such initiatives are a number of specific measures proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**") and implemented by the EU through CRD IV and CRR. For further information on these measures, see "*Supervision and Regulation*".

The capital adequacy requirements for banks in Norway as at the date of this Prospectus consist of two pillars. Pillar 1 encompasses minimum capital requirements that are applicable generally to banks. As per the provisions of the Financial Institutions Act, banks must hold capital at least equal to 8 per cent. of their risk exposed assets ("**Risk Exposure Amount**" or "**REA**"), within which at least 4.5 per cent. must be common equity tier 1 capital and at least 6 per cent. must be tier 1 capital.

In addition, the Financial Institutions Act imposes various capital buffer requirements which must be met by Norwegian financial institutions, all consisting of common equity tier 1. As of the date of this Prospectus, the capital buffer requirements consist of (i) a conservation buffer of 2.5 per cent. of REA, (ii) a systemic risk buffer of 4.5 per cent. of REA (on Norwegian exposures as further described below) and (iii) a counter-cyclical buffer of 2.5 per cent. of REA (on Norwegian exposures, further described below). In addition, financial institutions (including the DNB Group as a whole and the Bank) which the Norwegian authorities have designated as systemically important must also comply with a buffer for systemically important financial institutions of 2 per cent. of REA in order to mitigate systemic risk.

The DNB Group's effective systemic risk and counter-cyclical buffer rates are calculated as the weighted average of the buffer rates for the countries where the DNB Group has credit exposures. Since several countries in which the DNB Group has exposures have either set the requirement lower than the buffers in Norway or have not imposed any such requirement, the DNB Group's effective systemic risk and counter-cyclical buffer rate requirements were approximately 3.2 per cent. and 2.2 per cent., respectively, as of 30 June 2023. The buffer requirements may change over time, including as discussed further in the section titled "*Supervision and Regulation*". Implementation of any changes that impose more stringent requirements could lead to increased funding costs for the DNB Group.

*Liquidity requirements*

The Basel III framework also aimed to raise liquidity levels in the banking sector. CRD IV includes requirements relating to the liquidity coverage ratio (the "**LCR**"). The Norwegian Ministry of Finance has introduced a LCR requirement of 100 per cent. for each significant currency. However, due to the limited size of the domestic capital market, for banks that have U.S.$ and/or euro as other significant currencies, the minimum LCR for NOK is reduced to 50 per cent., with the difference being made up in additional U.S.$ and/or euro requirements. As a result and to ensure compliance with changes in these rules, the DNB Group may need to hold additional liquid assets, which may have an adverse effect on their results of operations or financial condition.

*Bank winding up and crisis management*

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**", which terms shall, where the context admits, include that Directive as amended or superseded from time to time, including (without limitation) by BRRD 2 entered into force). The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity ("relevant entities" being credit institutions, investment firms, certain financial institutions and certain holding companies) so as to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system. The BRRD was incorporated in the EEA Agreement on 9 February 2018. Legislation implementing the BRRD (in its original form) in Norway was passed by the Norwegian government in March 2018 and entered into force on 1 January 2019. Legislation implementing the BRRD 2 in Norway was passed by the Norwegian government on 11 June 2021 and entered into force on 1 June 2022.

BRRD was designed to provide resolution authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing bank (or other in-scope institution). The resolution authorities have extensive powers under BRRD (and local implementing legislation) to assist a failing bank, including through various resolution tools and powers. If any action were to be taken by the Norwegian resolution authorities in respect of the Issuer or its group, such action could have a material adverse effect on the ability of the Issuer to satisfy its payment or other obligations in respect of the Notes. As further described under "*—Risks Related to the Notes —Regulatory action in the event of a failure of the Bank could materially adversely affect the value of the Notes including in a* *manner which may 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*" below, the resolution authorities have extensive powers under BRRD (and local implementing legislation) to assist a failing bank, including through various resolution tools and powers. BRRD has been implemented in Norway as of 1 January 2019. If any action were to be taken by the Norwegian resolution authorities in respect of the Issuer or its group, such action could have a material adverse effect on the ability of the Issuer to satisfy its payment or other obligations in respect of Notes.

*MREL*

The powers set out in the BRRD will impact how relevant credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Under the BRRD there is a requirement for EU financial institutions to hold certain minimum levels of own funds and other eligible liabilities ("**MREL**") which would be available to be written down or bailed-in in order to facilitate the rescue or resolution of a failing bank. In Norway, the MREL requirement is set by the NFSA. The DNB Group is, based on the future expected CET1 requirement of 15.6 per cent. (not including Pillar 2 Guidance), required to hold total MREL capital equal to approximately 38 per cent. of REA (adjusted for REA stemming from DNB Boligkreditt AS as the covered bond entity), leading to a total need for MREL eligible debt of approximately EUR 16 billion. Out of this, approximately EUR 9 billion will need to be issued in the form of senior non-preferred debt, while the remaining part can be issued in the form of senior preferred debt. Senior preferred debt issued by the Bank with a minimum remaining tenor of one year will continue to qualify as MREL capital until 1 January 2024.

*The Personal Data Act*

The Personal Data Act, which implements the EU General Data Protection Regulation ("**GDPR**") in Norway, entered into force on 20 July 2018. The GDPR and its implementation has resulted in new demands on the DNB Group's operational processes, systems and resources as well as increased compliance costs related to the regulatory requirements. While the DNB Group continuously works to adapt its systems and processes to meet these regulatory requirements, there can be no assurance that such systems and processes will prevent all breaches. Any such breaches may have a material adverse effect on the DNB Group's business, financial condition and results of operations. Breaches of the GDPR can cause significant reputational damage and could also lead to claims against companies and individuals for negligence and/or wrongful acts. In addition, the reputational damage could impact the DNB Group's ability to attract new customers, future investment and new employees.

*New guidelines on IRB models*

On 9 June 2021, the NFSA published a circular (3/2021) that is intended to guide banks on the NFSA's practice for approval and supervision of internal ratings-based ("**IRB**") models. The DNB Group's assessment is that the circular does not imply a significant immediate change to the DNB Group's current regulatory capital adequacy or capital requirement. Nevertheless, the circular contains several deviations from the current EU regulations that have the potential to result in more conservative risk weights and capital requirements. Such changes may have a significant impact over time as the NFSA starts to incorporate these guidelines in its supervision.

In particular, the circular highlights the NFSA's view on the calculation of the effective maturity parameter (M), which is used, among other things, in the risk weight calculation for the financing of commercial property. The NFSA's concern is that this parameter may, under certain circumstances, in addition to the contractual maturity, reflect potential refinancing risk. The NFSA is of the view that that the actual maturity of a loan could exceed the original contractual agreement in certain cases, and the NFSA therefore expects banks to include this interpretation when calculating the M parameter. The NFSA points out that unless this is accounted for in the M parameter in regular capital adequacy reporting, it shall be assessed as part of the Pillar 2 process. Following a request from Finance Norway, which pointed out that the circular is not in accordance with applicable EU directives/regulations, the Ministry of Finance made clear in a letter to the NFSA dated 13 January 2022 that any decisions based on the circular would need to be based on the Norwegian act or regulation implementing the applicable EU/EEC rules. Any change in the capital adequacy calculations or identified disparities between contractual maturity and actual maturity as defined by the NFSA could potentially adversely impact the DNB Group's regulatory capital adequacy and capital requirements.

***Governmental responses to market disruptions may be inadequate and may have unintended consequences.***

The DNB Group may be adversely affected by governmental responses to market disruptions (such as those disruptions caused by the COVID-19 pandemic and increases in interest rates in response to rising inflation, caused by supply chain disruptions and the conflict between Russia and Ukraine) in the countries where it operates. As a result of the global financial crisis and subsequent government intervention, there has been, and there may continue to be, a substantial increase in governmental policy responses to market disruptions, including reductions in public spending and the imposition of fiscal austerity measures, and changes in monetary and interest rate policies.

The DNB Group has no control over governmental policy changes or over changes in the interpretation of fiscal legislation by any tax authority. The measures taken by various European governments to stimulate the economy and/or support the banking system, including, among other things, bank bail-out plans and support to specific industry sectors, may, if enacted, lead to an increase in the tax burden or to a reduction in tax benefits. Significant changes in governmental policy responses in Norway or in the other countries where the DNB Group operates, or difficulties in implementing such responses or with the type and effectiveness of the impact of such responses, may have a relevant adverse impact on the activity, financial situation and operating results of the DNB Group.

***The DNB Group is exposed to risks related to bribery, money laundering activities and sanctions violations, especially in its operations in emerging markets, and compliance with anti-money laundering and anti-terrorism financing rules involves significant cost and effort.***

The DNB Group is subject to rules and regulations regarding anti-bribery, anti-money laundering, anti-terrorist financing and economic sanctions. In general, the risk that banks will be subjected to or used for bribery or money laundering has increased worldwide. High employee turnover, difficulties in consistently implementing related policies and technology systems and the general business conditions mean that the risk of money laundering and other financial crimes is higher in emerging markets. Although these risks are higher in emerging markets than in Norway and other more developed markets, they may also arise in any of the markets in which the DNB Group operates. Monitoring compliance with anti-money laundering and anti-terrorism financing rules can put a significant financial burden on the DNB Group and pose significant technical problems. Currently more than 500 people in the DNB Group are working to prevent financial crime but anti-money laundering efforts are a work in progress and the authorities' requirements and expectations have become more stringent. There can be no assurance that DNB Group will at all times meet regulatory expectations in the implementation of its anti-money laundering policies and procedures and otherwise comply with relevant law and regulation.

A number of money laundering cases were brought to light in 2018 in the Baltic region, where the Bank has historically been present and continues to be present through its 19.95 per cent. (as of 31 December 2022) ownership interest in Luminor. Over the past years, regulators have been particularly focused on anti-money laundering procedures and regulations, which continue to evolve. In 2016, a complaint was sent to the National Authority for Investigation and Prosecution of Economic and Environmental Crime (the economic crime unit) stating that DNB ASA, the former holding company of the DNB Group, had helped transfer over $500,000 in Russian cash through accounts in Lithuania and Estonia. While the economic crime unit had investigated the transactions from 2007 to 2010, it decided not to pursue it further.

On 13 June 2022, the Norwegian newspaper *Aftenposten*, based on publications in the media in Finland and the Baltics, published an article related to suspicious transactions in Luminor with an aggregate size of approximately EUR 3.9 billion over a period of approximately 20 years. As part of Luminor's ongoing commitment to assess and update its anti-money laundering controls, the Bank has conducted several reviews of its AML-program. The Bank has been informed that Luminor used a broad set of criteria to check for any suspicious activity in relation to historical transactions. Suspicious findings had to be reported to relevant intelligence units (in line with financial institutions' ongoing obligations to report suspicious transactions according to applicable anti-money laundering laws and regulations). While the report was commissioned and led by Luminor, the Bank's understanding is that the Bank engaged with all relevant regulators throughout its development, including the reporting of findings where appropriate. These transactions and the report commissioned by Luminor are not material for the Bank and have not prompted any further action on the Bank's part given that the Bank disposed of most of its holdings in Luminor in 2019. The DNB Group, along with other Nordic banks, has attracted public attention and media coverage in connection with these money-laundering revelations, which continue to be investigated. Even if these allegations have not resulted in prosecutions of any member of the DNB Group, the DNB Group could face severe reputational damage.

On 25 June 2019, the NFSA imposed a minor non-compliance penalty of NOK 300,000 on the Bank's subsidiary DNB Næringsmegling AS (commercial real estate brokerage) following an on-site inspection of the company's compliance with the anti-money laundering regulations. No money laundering activities or attempted money laundering activities were found in the inspection but the NFSA found that the subsidiary's procedures related to matters such as employee training and control routines were not adequate. Further, on 21 August 2019 the NFSA released a report where the Bank received some criticism related to weaknesses in the Bank's risk assessment, documentation of customer controls and the Bank's system for the automatic detection of suspicious transactions. No money laundering activities or attempted money laundering activities have been discovered.

On 12 November 2019, allegations were published in the Icelandic media relating to transfers of funds by an Icelandic fishery company using accounts held by its offshore affiliates at the Bank; such funds are alleged to have been used for corrupt payments by the Icelandic company to Namibian government officials. On 28 November 2019, Norway's economic crime unit announced that it would launch an investigation to look into the links between the Bank and the alleged payments by the Icelandic fishery company. The Bank has been informed that the investigation has not generated any information that gives grounds for criminal prosecution of individuals. Further, the public prosecutor is not of the view that a corporate penalty is applicable in this case. The case has therefore been dismissed. On 4 December 2020, the NFSA submitted a report from its inspection of the Bank's compliance with anti-money laundering regulations in connection with the foregoing case. Most of the offenses identified by the NFSA in that report are time-barred or date to a period covered by the previously applicable anti-money laundering act and therefore not subject to sanctions under current legislation.

In February 2020, the NFSA conducted an anti-money laundering inspection of the Bank in relation to its operations in Norway. On 3 May 2021, the NFSA published its final report and a separate resolution (both dated 30 April 2021) related to this inspection, which confirmed that a fine of NOK 400 million is imposed on the Bank, as announced in the NFSA's preliminary report relating to the inspection received by the Bank on 7 December 2020. Although the DNB Group has not been under suspicion of money laundering or complicity in money laundering, in its report of 30 April 2021 the NFSA was critical of the DNB Group's compliance with the anti-money laundering regulations and remediation of weaknesses identified in prior inspections. The DNB Group expends considerable resources in the battle against money laundering. Nevertheless, the DNB Group acknowledged that the anti-money laundering efforts had not given sufficient results at the time of the inspection, and the DNB Group therefore announced the same day that it accepted the fine imposed by the NFSA. Following the final report from the NFSA's 2020 inspection, DNB is currently conducting substantial remediation efforts to mitigate the compliance risk due to deficiencies in customer records. As indicated in the NFSA's final report from the 2020 inspection, the NFSA, as the DNB's primary prudential regulator, is following up on DNB's remediation efforts.

As part of its follow-up, on 19 April 2022 the NFSA issued a decision to order the Bank to collect and store legal identification for remaining customers, persons acting on behalf of customers and persons with disposal rights over an account or deposit, by 1 August 2022. As agreed with the NFSA, the Bank reported on the implementation and progress of the order per 1 August 2022 within the reporting deadline of 8 August 2022.

On 1 September 2022, the NFSA imposed compulsory fines on the Bank for failing to comply with the NFSA's order of 19 April 2022. These fines comprise NOK 50,000 per business day from 2 September 2022 until the NFSA finds that their order is satisfied. Pursuant to Norwegian law, a coercive fine is not classified as an "administrative sanction", but instead an "administrative measure", which is not considered punishment for a previous breach of compliance but rather a forward-looking measure to incentivise an increased effort to comply with a decision. On 29 June 2023, the NSFA stated that it was satisfied with DNB's customer identity verification status, and the compulsory fines of NOK 50,000 per day ceased effective from 24 April 2023.

While the DNB Group takes any criticism raised very seriously and continues to try to improve its methods and systems to prevent anti-money laundering, it cannot guarantee that its Group-wide anti-money laundering and anti-terrorism financing policies and procedures have prevented or will prevent instances of money laundering or terrorism financing. Further, it cannot guarantee that its employees will consistently comply with such policies.

Any violation of anti-money laundering or anti-terrorism financing rules, or even the suggestion of violations, may have severe legal and reputational consequences for the DNB Group and could, as a result, have a material adverse effect on the DNB Group's financial condition and results of operations.

***The legal relationships between the DNB Group and its customers are based on standardised contracts and forms created for a large number of commercial transactions; as a result, problems with the conditions in this documentation, or errors in it, could affect a large number of contracts with customers.***

The DNB Group maintains contractual relationships with a large number of customers and uses general terms and conditions and standard templates for contracts and forms in the majority of its business areas and departments. The use of standard contracts and forms poses a significant risk due to the large number of contracts. As a result of the ordinary evolution of laws and new judicial decisions, and the growing influence of EU legislation on national laws, it is possible that not all the general terms and conditions, standard contracts and forms used by the DNB Group comply with all of the applicable legal requirements at all times. If there are drafting errors, interpretive issues, or if the individual contractual terms or the contracts are deemed invalid in whole or in part, a large number of customer relationships could be adversely affected, which could result in claims for compensation or other legal consequences that could have an adverse effect on the financial condition and operating results of the DNB Group.

***Legal and regulatory claims arise in the conduct of the DNB Group's business.***

In the ordinary course of its business, the DNB Group is subject to regulatory oversight and liability risk. The DNB Group is subject to regulation in each jurisdiction in which it operates. Regulation and regulatory requirements are continuously amended and new requirements are imposed on the DNB Group, including, but not limited to, regulations on conduct of business, anti-money laundering, payments, consumer credits, capital requirements, reporting and corporate governance.

The NFSA conducted an inspection of the Bank's Personal Customers business area in March 2021. The inspection was part of the NFSA's ordinary supervisory activities and included, among other things, an inspection of the Bank's risk exposure in the credit area and management and control of credit risk. In the NFSA's final report dated 20 December 2021, the NFSA stated that there had been a delay in updating reference figures in the bank's debt servicing capacity test. This flaw has been corrected. The NFSA also stated that the bank should establish practices in accordance with an NFSA circular with regard to obtaining adequate information on all debt items. There is an ongoing process aiming to bring the loan process into full compliance with the circular. Furthermore, the Bank stated that the customer communication in the Bank's mortgage processes will be clarified, as the NFSA noted that the Bank offers larger mortgages than customers apply for. With reference to the NFSA comments on weaknesses in the Bank's digital application solution for consumer financing, the Bank has informed the NFSA that only the manual loan application solution is in use as from April 2020.

Furthermore, as part of its banking activities, the DNB Group provides its customers with investment advice, other investment services and investment products and access to internally as well as externally managed funds, and serves as custodian of third-party funds. In the event of losses incurred by its customers due to investment advice, other services or products from the DNB Group, or misconduct or fraudulent actions in connection with the provision of investment services or the sale of investment products or otherwise, the DNB Group's customers could seek compensation from or otherwise take legal action against the DNB Group. See "*Description of the Bank and the DNB Group—Litigation*" for further detail on these claims. In certain cases, compensation might be sought from the DNB Group even if the DNB Group has no direct exposure to such risks, or has not recommended such counterparties to its customers.

The DNB Group is involved in a variety of claims, disputes, legal proceedings and governmental investigations in jurisdictions where it operates. See "*Description of the Bank and the DNB Group—Litigation*". Such claims, disputes and legal proceedings are subject to many uncertainties, and their outcomes and ultimate consequences are often difficult to predict, particularly in the earlier stages of a case or an investigation. These types of claims and proceedings may expose the DNB Group to monetary damages, direct or indirect costs (including legal costs), direct or indirect financial loss, civil and criminal penalties, loss of licences or authorisations, or damage to reputation, as well as the potential for regulatory restrictions on its businesses, any of which could have a material adverse effect on the DNB Group's business, financial condition and results of operations.

In particular, DNB Asset Management AS, a wholly-owned subsidiary of the Bank since 1 July 2021, was subject to a final decision of the Supreme Court, which upheld a Court of Appeal ruling and ordered DNB Asset Management to pay compensation to investors of approximately NOK 350 million to settle claims that certain funds managed by it overcharged investors in those funds. Media attention related to the matter had to some extent a negative reputational effect.

Even though the DNB Group believes it has appropriately provided for contingent obligations in respect of claims, litigation and other proceedings, the outcome of any such claim, litigation or proceeding may differ from management expectations and expose the DNB Group to unexpected costs and losses, reputational and other non-financial consequences and diversion of management attention.

Any of the above-mentioned factors or any other restrictions or limitations on the operations of financial institutions could have a material adverse effect on the DNB Group's business, financial condition, results of operations, liquidity and/or prospects.

***The DNB Group is exposed to the risk of changes in tax and VAT legislation and the interpretation of such legislation as well as changes in such rates.***

The DNB Group's activities are subject to tax and VAT at various rates in the jurisdictions in which it operates, computed in accordance with local legislation and practice. Future actions by the Norwegian or other governments to increase tax or VAT rates or to impose additional taxes or duties would reduce the DNB Group's profitability.

For example, in July 2021, the Bank received a decision from the Norwegian tax authorities relating to the deduction of external interest expenses. According to Norwegian tax legislation, external interest expenses are to be distributed proportionally among companies' operations in Norway and certain international branch offices based on the respective entities' total assets. This could result in additions or deductions from the companies' income in Norway. The decision calculates the limitation of interest deduction by including internal receivables and covers the fiscal years 2015–2019. The decision represents a tax exposure of NOK 1.7 billion for the period in question. The estimated tax effect for the years 2020-2022 amounts to a total of approximately NOK 80 million. The Bank disagrees with the tax authorities' interpretation of the legislation. Legal proceedings were initiated in 2021 and the first level of court proceedings took place at the beginning of May 2022. The first level court decision of 4 June 2022 was not in favour of the Bank and was appealed by the Bank on 4 August 2022. Court proceedings at the second level are scheduled for October 2023. No provisions have been recognised in the accounts. However, there can be no assurance that the final decision will be made in favour of the Bank.

New tax rules for life insurance and pensions companies were introduced for the fiscal year 2018, with associated transitional rules. When the financial statements and tax return for DNB Livsforsikring were prepared in 2018, it was unclear how the transitional rules should be interpreted, and DNB Livsforsikring did not agree with the Norwegian Tax Administration's interpretation of the original wording of the law. Based on an overall assessment, the net tax effect associated with the transitional rules was included as a tax income of NOK 880 million for the DNB Group. In the 2018 tax return, DNB Livsforsikring demanded a larger tax deduction than the tax effect recognised in the accounts. In January 2022, DNB Livsforsikring received a final decision concerning a change in the tax assessment for 2018. DNB Livsforsikring has appealed the decision to the Norwegian tax appeal board, Skatteklagenemnda. On the basis of a new review of the matter, a tax expense of NOK 299 million was recognised in the accounts in the fourth quarter of 2021 related to the transition effect in 2018. The final outcome of the matter is uncertain and may result in either lower or higher tax deductions than those used as the basis in the DNB Group accounts. If DNB Livsforsikring does not win its case on any of the points, this will give a further increased tax expense of NOK 460 million related to the transition effect in 2018.

In the second quarter of 2022, the Bank received a notice from the Norwegian tax authorities relating to a reorganisation of the loan business in Sweden and in the UK in 2015. The tax authorities have challenged the valuation and calculation of taxable gains/losses related to loan portfolios that were sold from branches of the Bank to subsidiaries in Sweden and the UK. The Bank responded to the tax authorities in November 2022. In the second quarter of 2023 received a draft decision from the Norwegian tax authorities, and the Bank will respond during third or fourth quarter of 2023. The Bank's maximum tax exposure is estimated to be approximately NOK 1.2 billion. The Bank disagrees with the tax authorities' approach, and accordingly no provision has been recognised in its accounts. However, the final outcome of the dispute remains unclear, and there can be no assurance that an adverse outcome would not have a material adverse effect on the Bank's profitability or results of operations.

On 27 February 2023, the Bank received a notice of a change in the tax assessment of dividends received from US subsidiaries in 2019 and 2020. DNB has treated dividends received from its US subsidiary as covered by the tax exemption method, but the Norwegian tax authorities state that since the subsidiary is not itself a taxable entity in the US (and is taxed jointly with the Bank's branch office in New York, leading to, in the authorities' view an effective taxation rate that is less than two thirds of Norwegian taxation), the US would be considered a low-tax country such that the dividends would not be covered by the tax exemption method. The tax authorities have also announced that the subsidiary's payments of its share of the joint tax payment are to be considered taxable dividends. The notice means a tax exposure of NOK 1.6 billion for the Bank for the period. The Bank does not agree that the US should be regarded as a low-tax country, or that there are grounds for regarding the tax payments as dividends, and for this reason no provisions have been recognised in the accounts. The Bank responded to the notice in June 2023.

Revisions of tax or VAT legislation or changes in its interpretation as well as differences in opinion between the DNB Group and tax authorities with respect to interpretation of relevant legislation might also affect the DNB Group's financial condition in the future. Such changes and the outcome of ongoing proceedings where the DNB Group's interpretation of tax and VAT legislation is challenged by tax authorities could have a material adverse effect on the DNB Group's business, financial situation, results of operations, liquidity and/or prospects. Further, there can be no assurance that any such change in tax and VAT legislation or the interpretation of tax and VAT legislation may not have a retroactive effect on the DNB Group's business, financial situation, results of operations, liquidity and/or prospects.

***The DNB Group may be impacted by changes in accounting policies or accounting standards and the interpretation of such policies and standards.***

From time to time, the IASB changes the financial accounting and reporting standards that govern the preparation of the DNB Group's financial statements. Further, changes may take place in the interpretation of, or differences of opinion may arise between the DNB Group and competent authorities with regard to the application of, such standards. These changes can be difficult to predict and can materially impact how the DNB Group records and reports its financial condition and results of operations. In some cases, the DNB Group may be required to apply a new or revised standard, or alter the application of an existing standard, retroactively, rendering a restatement of prior period financial statements necessary. Any such change in the DNB Group's accounting policies or applicable accounting standards could materially affect its reported financial condition and/or results of operations.

As discussed further in the section titled "*Supervision and Regulation—Regulatory Developments—IFRS 17*", the DNB Group applies IFRS 17 from 1 January 2023. The full implementation effect of IFRS 17, as well as the effect of the changed measurement of financial instruments, is NOK 9,836 million after tax, and will reduce the DNB Group's equity at the time of the transition on 1 January 2022 accordingly.

Because of the uncertainty surrounding the DNB Group's judgments and the estimates pertaining to these matters, the DNB Group cannot guarantee that it will not be required to make changes in accounting estimates or restate prior period financial statements in the future.

### *Conflicts of interest, whether actual or perceived, may negatively impact the DNB Group.*

As the DNB Group expands the scope of its business and its customer base, it must increasingly implement corporate governance policies on a group-wide level and address potential conflicts of interest, including situations in which the DNB Group provides services to a particular customer or its own proprietary investments or other interests conflict, or are perceived to conflict, with the interests of another customer, as well as situations in which one or more of the DNB Group's businesses have access to material non-public information that may not be shared with other businesses within the DNB Group. Appropriately identifying and dealing with conflicts of interest is complex, in part because internal breaches of policy can be difficult to discover. The DNB Group's reputation could be damaged, and the willingness of customers to enter into transactions in which such a conflict might arise may be affected, if the DNB Group fails, or appears to fail, to identify and deal appropriately with conflicts of interest.

### *Financial services operations involve inherent reputational risk.*

The DNB Group's reputation is one of its most important assets. Reputational risk, including the risk to earnings and capital from negative public opinion, is inherent in the financial services industry. Negative public opinion can result from any number of causes, including misconduct by employees, non-compliance by members of the DNB Group with applicable internal policies and regulations, activities of business partners over which the DNB Group has limited or no control, severe or prolonged financial losses, uncertainty about the DNB Group's financial soundness or reliability (including the reliability of its internet banking platforms) or the DNB Group's conduct of its business. Negative public opinion may adversely affect the DNB Group's ability to keep and attract customers, depositors and investors, as well as its relationships with regulators and the general public. In 2022, increased interest rates and the extensive effort to have all customers renew their proof of identity have led to negative media reports and frustration among some customers.

## RISKS RELATED TO THE STRUCTURE OF THE NOTES

### *The obligations of the Issuer in respect of the Notes are unsecured and deeply subordinated and investors assume an enhanced risk of loss in the event of the Issuer's insolvency.*

The Notes constitute unsecured and deeply subordinated obligations of the Issuer.

On a liquidation, dissolution or other winding-up of the Issuer by way of public administration (except, in any such case, an Excluded Winding-up, as defined in the Conditions) (referred to herein as a "**winding-up of the Issuer**"), all claims in respect of the Notes (including claims for damages (if any) in respect of any breach of the Issuer's obligations thereunder) will rank as provided in Condition 4 (*Status and Ranking*). Accordingly:

(a) for so long as the Notes are Qualifying Additional Tier 1 Obligations (as defined in the Conditions), claims in respect of the Notes will rank junior to claims in respect of (1) all deposits of the Issuer; (2) all other unsubordinated obligations, including all Non-Preferred Senior Obligations (as defined in the Conditions), of the Issuer; (3) all Disqualified Tier 2 Obligations and Disqualified Additional Tier 1 Obligations (each as defined in the Conditions) of the Issuer; and (4) all Qualifying Tier 2 Obligations (as defined in the Conditions) of the Issuer;

(b) if the Notes cease to be Qualifying Additional Tier 1 Obligations and become (and for as long as they remain) Qualifying Tier 2 Obligations, claims in respect of the Notes will rank junior to claims in respect of (1) all deposits of the Issuer; (2) all other unsubordinated obligations, including all Non-Preferred Senior Obligations (as defined in the Conditions), of the Issuer; and (3) all Disqualified Tier 2 Obligations and Disqualified Additional Tier 1 Obligations (each as defined in the Conditions) of the Issuer; and

(c) if the Notes become (and for so long as they remain) Disqualified Additional Tier 1 Obligations of the Issuer, claims in respect of the Notes will rank junior to claims in respect of (1) all deposits of the Issuer; (2) all other unsubordinated obligations, including all Non-Preferred Senior Obligations, of the Issuer; and (3) all Disqualified Tier 2 Obligations of the Issuer.

If, on a winding-up of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Holders will lose their entire investment in the Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Notes and all other claims that rank *pari passu* with the Notes, the Holders will lose some (which may be substantially all) of their investment in the Notes.

Furthermore, Holders will not be able to exercise any rights of set-off, netting, compensation or retention (if any) in respect of any amounts owed to them by the Issuer in respect of the Notes.

Residential mortgages transferred by the Issuer to Boligkreditt or originated by Boligkreditt through DNB distribution channels comprise the cover pool and thereby serve as security for holders of the covered bonds issued by Boligkreditt (and also counterparties under derivatives contracts entered into for hedging purposes in relation to such covered bonds). Once transferred, these mortgages do not form part of the general assets of the Issuer that would be available to holders of the Notes in the case of insolvency or liquidation of the Issuer. The DNB Group intends to cover a significant part of its long-term funding requirement through issuance of covered bonds, which will be secured by mortgages originated by Boligkreditt through DNB distribution channels and/or transferred from the Issuer to Boligkreditt. The Notes are unsecured obligations of the Issuer, and in addition to being subordinated to most of the Issuer's own liabilities the Holders are structurally subordinated to the covered bondholders and such hedge counterparties to the extent of the cover pool, and are not likely to ever have access to this cover pool should the Issuer become insolvent or be liquidated.

In addition, as further described below under "*—Upon the occurrence of a Trigger Event, the principal amount of the Notes will be Written Down*", the principal amount of the Notes will, in certain circumstances, be Written Down, which may be in part or in whole and may occur on one or more occasions. In a winding-up of the Issuer, the claims of Holders in respect of their Notes will be for the Outstanding Principal Amount at the time of the winding-up of the Issuer, which may be less than the Original Principal Amount of the Notes. The Notes do not contain any restriction on the Issuer's ability to issue securities that may have rights similar but preferential to those of the Notes including securities having more favourable, or no, provisions similar to the Trigger Event applicable to the Notes.

Although the Notes have the potential (subject always to the Issuer's right to cancel interest payments) to pay a higher rate of interest than securities which are not subordinated, there is a substantial risk that Holders of the Notes will lose all or some of the value of their investment should a winding-up of the Issuer occur.

***No limitation on the Issuer issuing senior or pari passu securities.***

There is no restriction on the amount of securities or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Notes. The issue or guaranteeing of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders during a winding-up of the Issuer, may increase the likelihood of a cancellation of interest payments under the Notes and may limit the Issuer's ability to meet its obligations under the Notes.

***The ranking of the Notes relative to other obligations of the Issuer could change, which in certain circumstances could have a material adverse effect on the rights of the Holders of the Notes and/or the market price of the Notes.***

Article 48(7) of the BRRD requires Member States to ensure that, for relevant credit institutions, all claims resulting from own funds items have, in national laws governing normal insolvency proceedings, a lower priority ranking than any claim that does not result from an own funds item. While Norway has not yet implemented Article 48(7) of the BRRD (though, as of the date of this Prospectus, the Norwegian Ministry of Finance is considering a proposal to amend the Norwegian Financial Institutions Act § 20-32 to do so), under Condition 4 (*Status and Ranking*) the ranking of the Notes in a winding-up of the Issuer will depend upon whether the Notes are Qualifying Additional Tier 1 Obligations or, if they cease to be Qualifying Additional Tier 1 Obligations, are either Qualifying Tier 2 Obligations or Disqualified Additional Tier 1 Obligations (each as defined in the Conditions). These provisions are broadly designed to achieve an outcome aligned to the requirements of Article 48(7).

Should the Notes become Qualifying Tier 2 Obligations or Disqualified Additional Tier 1 Obligations, this would have the effect, under Condition 4.2(ii), of affording the Notes a higher priority ranking than is the case while they remain Qualifying Additional Tier 1 Obligations. However, should the Notes subsequently re-qualify as Qualifying Additional Tier 1 Obligations, the ranking of the Notes will, under Condition 4.2(iii), revert to their lower level, all in accordance with the Priority of Claims set out in Condition 4.3.

Other obligations of the Issuer may also be subject to similar changes in their ranking, whether as a result of any implementation of Article 48(7) of BRRD into Norwegian law, or as a result of their terms and conditions. In the event that any other obligations of the Issuer are initially issued as Qualifying Additional Tier 1 Obligations (and thus, in a winding-up of the Issuer, would rank *pari passu* with the Notes) but subsequently become Qualifying Tier 2 Obligations or Disqualified Additional Tier 1 Obligations at a time when the Notes remain Qualifying Additional Tier 1 Obligations, then in a winding-up of the Issuer the claims in respect of such Qualifying Tier 2 Obligations or Disqualified Additional Tier 1 Obligations would rank in priority to the claims of Holders in respect of the Notes in accordance with the Priority of Claims set out in Condition 4.3. Accordingly, the holders of such Qualifying Tier 2 Obligations or Disqualified Additional Tier 1 Obligations (as well as the holders of any Disqualified Tier 2 Obligations and any other Qualifying Tier 2 Obligations) would be entitled to be repaid in full before Holders would be able to recover any amounts in respect of the Notes. This could reduce the amount (if any) of any recovery of the Holders in respect of their Notes in the event of a winding-up of the Issuer.

Similarly, if the Notes, at the time of any winding-up of the Issuer, were to be Disqualified Additional Tier 1 Obligations, then while claims of holders of Qualifying Tier 2 Obligations would rank junior to the claims of the Holders of the Notes, any claims of holders of Disqualified Tier 2 Obligations would be entitled to be repaid in full before Holders would be able to recover any amounts in respect of the Notes. This could reduce the amount (if any) of any recovery of the Holders in respect of their Notes in the event of a winding-up of the Issuer.

The potential for changes in the actual or perceived ranking of the Notes relative to other obligations of the Issuer from time to time could, in certain circumstances, have a material adverse effect on, and/or increase the volatility in, the market price of the Notes from time to time. Furthermore, the circumstances in which the ranking of the Notes and/or the ranking of any other obligations of the Issuer may change may not be possible to predict.

In addition to the foregoing, it is possible that, in the event of a winding-up of the Issuer, if the Issuer has outstanding any Legacy Subordinated Obligations (as defined in the Conditions) the ranking of which cannot be reconciled with the Priority of Claims specified in Condition 4.3, it may not be possible for Holders of the Notes to anticipate the relative losses which would be borne by the Holders of the Notes and the holders of those Legacy Subordinated Obligations. If any such Legacy Subordinated Obligations rank ahead of the Notes, this may reduce the amount (if any) recovered by Holders in respect of their Notes in the event of a winding-up of the Issuer. Furthermore, there can be no assurance that any interpretation of any Holder of Notes or any other of the relative ranking of such Legacy Subordinated Obligations and the Notes will be the same as the interpretation of the Issuer, any insolvency official of the Issuer and/or the NFSA, and any such interpretation could be subject to reassessment from time to time, which could have a material adverse effect on, and/or result in increased volatility in, the market price of the Notes from time to time.

***The Issuer may at any time elect, and in certain circumstances shall be required, not to make interest payments on the Notes.***

The Issuer may at any time elect, in its sole and absolute discretion, to cancel any interest payment (in whole or in part) on the Notes which would otherwise be due. Additionally, the NFSA has the power to direct the Issuer to exercise its discretion to cancel any interest payment (in whole or in part) on the Notes.

If the Issuer does not pay any interest (or any part thereof) scheduled to be paid on any date, such non-payment shall evidence the Issuer's exercise of discretion to cancel such interest payment (or the relevant part thereof), and such cancelled interest payment (or the cancelled part thereof) shall not become due and payable at any time.

Furthermore, the Issuer will cancel any interest payment (in whole or in part) which would otherwise fall due (a) if and to the extent that such payment of interest cannot be made in compliance with the Solvency Condition, or (b) if so required under the then-prevailing Applicable Banking Regulations, if and to the extent that such payment of interest would: (i) when aggregated with other relevant stipulated payments or distributions, exceed the Distributable Items of the Issuer; or (ii) when aggregated with other relevant distributions, cause any applicable Maximum Distributable Amount (as defined in the Conditions) then applicable to the Bank or the DNB Group to be exceeded.

In addition, if a Trigger Event occurs, the Issuer will cancel all interest accrued up to (and including) the Write Down Date.

With respect to cancellation of interest due to insufficient Distributable Items, see also "*—The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Notes*" below. With respect to cancellation of interest due to the application of a Maximum Distributable Amount, see also "*—Payments on the Notes will be subject to Maximum Distributable Amount restrictions*" below.

In addition, the circumstances in which the prudential rules require the Issuer to reduce or cancel interest payments may change. For example, on 31 March 2022, the European Central Bank ("**ECB**") published its response to the call for advice from the European Commission relating to the European Commission's mandate to complete a review of the macro-prudential provisions in the CRR and CRD IV by June 2022 and, if appropriate, to submit a legislative proposal to the European Parliament and the Council by December 2022. In respect of each of the four areas included in the call for advice, the ECB provided comments on the operation of the buffer framework, considerations in relation to the internal market, missing or obsolete instruments and global risk. In the context of Additional Tier 1 ("**AT1**") instruments, the ECB stated that it supports strengthening the features of AT1 capital to reduce the stigma effects associated with banks cancelling AT1 interest payments when they fall beneath the level of their combined buffer requirements. Additionally, the ECB stated that they believe that there is a need to strengthen the ability of AT1 to act as going concern capital, specifically regarding the flexibility of payments. In particular, the ECB stated that the current CRR definition of 'distributable items' should be reviewed to ensure that only profitable banks or banks with positive retained earnings could make AT1 interest or common equity tier 1 dividend payments. The European Commission has not, as at the date of this Prospectus, put forward a legislative proposal. In any event, the final details of this review and the final substance of any resulting legislative proposals, and when and how such proposals, if enacted, will be applied in Norway, are uncertain. There can be no assurance that any changes to the prudential regime applicable to the Issuer or the DNB Group resulting from these proposals will not affect the circumstances in which the Issuer is required to cancel interest payments on the Notes, and any such changes could have a material adverse impact on the market price or value of the Notes.

Any interest which is cancelled as a result of optional or mandatory cancellation as described above shall not accumulate and shall no longer be due and payable by the Issuer. A cancellation of interest in accordance with the Conditions will not constitute a default of the Issuer under the Notes for any purpose, and Holders will have no right to such cancelled interest, or any amount in respect thereof, at any time (including in a winding-up of the Issuer).

If the Issuer elects to cancel, or is prohibited from paying, interest on the Notes at any time, there is no restriction under the terms of the Notes on the Issuer from otherwise paying dividends, interest or other distributions on, or redeeming or repurchasing, any of its other liabilities (including liabilities which rank *pari passu* with, or junior to, the Notes) or any of its share capital. In proposing the interim or final distributions (if any) to be declared in respect of the ordinary shares of the Issuer in respect of any given financial year, the Issuer will have regard to all relevant factors which it considers to be appropriate, including the profitability of the Issuer, its resources available for distribution and the capital and liquidity position of the Issuer at the time of proposing the distribution for approval by the shareholders of the Issuer. The obligations of the Issuer under the Notes are senior in ranking to the ordinary shares of the Issuer. It is the Issuer's current intention that, whenever exercising its discretion to propose any dividend in respect of the ordinary shares, or its discretion to cancel interest on the Notes, the Issuer will take into account the relative ranking of these instruments in its capital structure. However, the Issuer may at any time depart from this policy at its sole discretion.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication that the CET1 Ratio of the Bank or the DNB Group is trending towards a failure to meet fully the combined capital buffer requirement (the level at which the MDA (as defined below) restriction becomes relevant) or their MREL resources are trending towards a failure to meet fully the combined capital buffer requirement and the minimum requirement for own funds and eligible liabilities (the level at which an M-MDA (as defined below) restriction may be imposed by the Norwegian FSA) may have an adverse effect on the market price of the Notes.

***The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Notes.***

The Issuer will, to the extent it is required to do so under the then-prevailing Applicable Banking Regulations, cancel any payment of interest amount (in whole or in part) which would otherwise fall due on any date if and to the extent that payment of such interest (together with any additional amounts payable thereon as provided in Condition 11 (*Taxation*)) would, when aggregated with other relevant stipulated payments or distributions, exceed the Distributable Items of the Issuer. As at 31 December 2022, the Distributable Items of the Issuer, determined on a non-consolidated basis, were NOK 177 billion.

The level of the Issuer's Distributable Items is affected by a number of factors. The Issuer's future Distributable Items, and therefore the ability of the Issuer to make interest payments under the Notes, are a function of the Issuer's existing Distributable Items and its future profitability. In addition, the Issuer's Distributable Items may also be adversely affected by the servicing of more senior instruments or parity ranking instruments.

The level of the Issuer's Distributable Items may be affected by changes to accounting rules, regulation or the requirements and expectations of applicable regulatory authorities. Any such potential changes could adversely affect the Issuer's Distributable Items in the future.

The level of the Issuer's Distributable Items, and therefore the Issuer's ability to make interest payments under the Notes, may be adversely affected by the performance of the business of the DNB Group in general, factors affecting its financial position (including capital and leverage), the economic environment in which the DNB Group operates and other factors outside of the Issuer's control. In addition, adjustments to earnings, as determined by the Board, may fluctuate significantly and may materially adversely affect Distributable Items.

***The Issuer's interests may not be aligned with those of investors in the Notes.***

The availability of Distributable Items and the potential for the occurrence of a Trigger Event will depend in part on strategic and management decisions made by the Issuer and other entities in the DNB Group relating to their businesses and operations, as well as the management of their capital positions.

While the Issuer expects to consider the interests of all stakeholders of the Issuer, including the Holders of the Notes, when assessing strategic and management decisions, the interests of other stakeholders of the Issuer could be adverse to and outweigh the interests of the Holders, including in the context of capital management. The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Trigger Event, or may elect not to take action which may be available to it to create Distributable Items. Holders will not have any claim against the Issuer relating to decisions that affect the capital position of the Issuer or the DNB Group, regardless of whether they result in the occurrence of a Trigger Event or a lack of Distributable Items. Such decisions could cause Holders to lose all or substantially all of their investment in the Notes.

***The Issuer's ability to make payments in respect of the Notes is dependent on the satisfaction of the Solvency Condition.***

The Conditions provide that (except in the winding-up, dissolution or liquidation of the Issuer) no payment of principal, interest or any other amount in respect of the Notes will become due and payable unless, and to the extent that, the Issuer is able to make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").

For these purposes, the Issuer shall be considered to be solvent if (x) it is able to pay its debts to Senior Creditors as they fall due and (y) its Assets exceed its Liabilities.

If and to the extent that the Issuer is unable to make a scheduled interest payment and still be solvent immediately thereafter, such interest payment shall not become due and will be cancelled.

***Payments on the Notes will be subject to Maximum Distributable Amount restrictions.***

*MDA*

In circumstances where the Norwegian Financial Institutions Act §14-3(5) applies, and to the extent such payments are required to be cancelled under the then-prevailing Applicable Banking Regulations, no payments (or deemed payments) will be made on the Notes (whether by way of principal, interest, Discretionary Reinstatement or otherwise) if and to the extent that such payment would, when aggregated together with other distributions of the kind referred to in the Norwegian Financial Institutions Act §14-3(5), cause the maximum distributable amount (if any) determined in accordance with the Calculation Regulations § 10 (the "**MDA**") then applicable to either of the Issuer or the DNB Group to be exceeded.

Under Applicable Banking Regulations, the Bank and the DNB Group are required to hold certain amounts of regulatory capital as described above in "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes—Risks Related to the Legal and Regulatory Environments in which the DNB Group Operates—The financial services industry is subject to intensive regulation, including capital adequacy regulation, and the regulatory framework is subject to change —Capital adequacy and liquidity requirements*".

Under the Norwegian Financial Institutions Act §14-3(5) as at the date of this Prospectus, institutions which fail to fully meet their combined buffer requirement or own funds requirements will be subject to restricted "discretionary payments", including payments relating to common equity tier 1 and additional tier 1 instruments (such as the Notes) and variable remuneration to staff. The restrictions will, according to the Calculation Regulations § 10, be scaled according to the extent of the breach of the combined buffer requirement (i.e. depending on which quartile of the capital buffer requirement the relevant institution meets, with the scaling factor being 0 in the bottom quartile, 0.2 in the second quartile, 0.4 in the third quartile and 0.6 in the fourth quartile) and calculated as a percentage of the profits of the relevant institution since the last distribution of profits or other relevant "discretionary payment". Such calculation will result in a "maximum distributable amount" in each relevant period. As a consequence, in the event of breach of the combined buffer requirement by the Bank and/or the DNB Group, it may be necessary to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of the Notes.

*Common equity tier 1 capital requirements/expectations of the Bank and the DNB Group*

As discussed above under "*The financial services industry is subject to intensive regulation, including capital adequacy regulation, and the regulatory framework is subject to change – Pillar 2 requirements*", the common equity tier 1 capital expectation (that is, inclusive of the Pillar 2 guidance) for the Bank and the DNB Group is approximately 17.0 per cent. and 17.1 per cent. as of 30 June 2023, respectively.

Further to the NFSA's Supervisory Review and Evaluation Process ("**SREP**") for 2022, the NFSA announced on 14 November 2022 that the Pillar 2 requirement for the Bank and the DNB Group had been set at 2.1 per cent. of REA. In line with Article 104a of the Capital Requirements Directive, the Pillar 2 requirement must be fulfilled with approximately 1.2 per cent. common equity tier 1 capital, approximately 0.4 per cent. additional tier 1 capital and approximately 0.5 per cent. tier 2 capital. Further, the NFSA also advised that the Bank and the DNB Group should hold a common equity tier 1 capital buffer ("**Pillar 2 Guidance**") of not less than 1.5 per cent. on top of the total common equity tier 1 capital requirement. The updated Pillar 2 requirement and Pillar 2 Guidance have applied since 31 December 2022.

As of 30 June 2023, the Bank and the DNB Group reported a common equity tier 1 capital ratio of 20.0 per cent. and 18.9 per cent., respectively, and a total capital ratio of 25.4 per cent. and 23.0 per cent., respectively[1]. If the Bank and/or the DNB Group's CET1 ratio falls below the required level, or the Bank and/or the DNB Group fail to satisfy their Pillar 2 Guidance, it may be necessary to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of the Notes.

*L-MDA and M-MDA*

The EU Banking Reform Legislation (as defined in "*Supervision and Regulation*") extended the scope of the maximum distributable amount restrictions applicable to EU banks. In addition to the original MDA restrictions based on risk-based capital requirements, the EU Banking Reform Legislation provides for leverage-based and MREL-based restrictions:

(i) *leverage-based maximum distributable amount*: an institution that is designated as a global systemically important bank (a "**G-SIB**") that: (A) meets an applicable leverage ratio buffer shall not be entitled to make any distribution in connection with tier 1 capital to the extent this would decrease its tier 1 capital to a level where the leverage ratio buffer requirement is no longer met; and (B) is failing to meet an applicable leverage ratio buffer shall calculate a leverage ratio-based maximum distributable amount (the "**L-MDA**") and must not make discretionary payments (payments relating to Common Equity Tier 1 capital instruments, Additional Tier 1 instruments (such as the Notes) and variable remuneration) which would, in aggregate, exceed such L-MDA. As with the risk-based MDA, the L-MDA restrictions are scaled according to the extent of the breach of the leverage buffer requirement and calculated by reference to the institution's distributable profits, applying a scaling factor depending on which quartile of the leverage buffer requirement the institution meets (such factor being 0 in the bottom quartile, 0.2 in the second quartile, 0.4 in the third quartile and 0.6 in the fourth quartile); and

(ii) *MREL-based maximum distributable amount*: where an institution is failing to meet its buffer requirements as a result of its MREL requirement (but would meet its buffer requirements but for its MREL requirement), the relevant resolution authority, having considered certain specified factors, will be entitled (and, if non-compliance continues for an extended period, may, subject to certain exceptions, be required) to prohibit such institution from distributing more than a maximum distributable amount determined by reference to its MREL requirement (the "**M-MDA**") by way of discretionary payments (payments relating to Common Equity Tier 1 capital instruments, Additional Tier 1 instruments (such as the Notes) and variable remuneration). As with the MDA and the L-MDA, the M-MDA restrictions are scaled according to the extent of the breach of the buffer requirement (when having regard to MREL requirements) and calculated by reference to the institution's distributable profits, applying a scaling factor depending on which quartile of the buffer requirement the institution meets (such factor being 0 in the bottom quartile, 0.2 in the second quartile, 0.4 in the third quartile and 0.6 in the fourth quartile).

On 9 April 2021, the Ministry of Finance put forward a proposal related to the implementation of CRD V, CRR 2 and BRRD 2 in Norway, including the M-MDA restrictions and including an authority for the Ministry to implement the L-MDA restrictions in a separate regulation. The proposed M-MDA amendments were passed by the Norwegian Parliament 11 June 2021 and came into effect on 1 June 2022 through the Financial Institutions Act § 20-9a, which states that the Bank, if it does not comply with the combined buffer requirements according to the Financial Institutions Act § 14-3 and the minimum requirements for own funds and eligible liabilities according to the Financial Institutions Act § 20-9, needs to give notice to the NFSA. Pursuant to such notice, the NFSA can decide whether the Bank will become constrained by M-MDA restrictions with respect to making discretionary payments. If the NFSA were to impose such an M-MDA restriction on the Bank and/or the DNB Group in such circumstances, it may be necessary for the Bank to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of the Notes.

With respect to L-MDA, it is currently unclear whether the L-MDA requirements will be implemented in full or at all under Norwegian law. If such requirements are implemented in Norwegian law, a breach of the L-MDA may

[1] Including, in each case, 50 per cent. of profit for the period.

require the Bank and/or the DNB Group to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of the Notes.

*Interaction between Maximum Distributable Amounts and Pillar 2*

As noted under "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes—Risks Related to the Legal and Regulatory Environments in which the DNB Group Operates—The financial services industry is subject to intensive regulation, including capital adequacy regulation, and the regulatory framework is subject to change—Capital adequacy and liquidity requirements*", in addition to Pillar 1 minimum capital requirements and buffer capital requirements, a regulator may impose a Pillar 2 capital requirement on any institution it regulates, such requirement being calibrated individually for such institution to address the specific risk profile of such institution. A Pillar 2 capital requirement can be imposed, increased, decreased or withdrawn by the relevant regulator at any time.

The quantum of any Pillar 2 requirement imposed on a bank, the type of capital which it must apply to meeting such capital requirements, and whether the Pillar 2 requirement is 'stacked' below the capital buffers (i.e. the bank's capital resources must first be applied to meeting the Pillar 2 requirements in full before capital can be applied to meeting the capital buffers) or 'stacked' above the capital buffers (i.e. the bank's capital resources can be applied to meeting the capital buffers in priority to the Pillar 2 requirement) may all impact a bank's ability to make discretionary payments on its tier 1 capital, including interest payments on additional tier 1 instruments such as the Notes.

Prior to 1 June 2022, the Bank's and the DNB Group's Pillar 2 capital requirements were stacked above the capital buffers. Following the implementation of CRD V, CRR 2 and BRRD 2 in Norway on 1 June 2022, the Bank's and the DNB Group's Pillar 2 requirements are now stacked below the capital buffers, and accordingly included in the MDA trigger level. This amendment increases the risk that the Issuer may become constrained by Maximum Distributable Amount restrictions with respect to making discretionary payments, including payments of interest on additional tier 1 instruments such as the Notes, since the common equity tier 1 capital resources of the Bank and the DNB Group will need to be applied to meeting Pillar 2 requirements before such resources can be applied to meeting the buffer requirements. Accordingly, as at 30 June 2023, the MDA threshold is 15.5 per cent. for the Bank and 15.6 per cent. for the DNB Group.

Further to the SREP for 2021, the Pillar 2 requirement for the Bank and the DNB Group was set to 1.9 per cent. of REA and must be met with common equity tier 1 capital. The Pillar 2 requirement is the supervisory authority's assessment of many factors at a given point in time and may be revised upwards or downwards on an ongoing basis to address the specific risk profile of the institution being regulated. In its 2021 SREP letter, the NFSA advised the Bank and the DNB Group to hold a common equity tier 1 capital buffer of not less than 1.5 per cent. on top of the total common equity tier 1 capital requirement (the Pillar 2 Guidance). The total common equity tier 1 capital expectation (including the Pillar 2 Guidance) for the Bank and the DNB Group was, therefore, approximately 16.6 per cent. and 16.8 per cent., respectively, as of 30 September 2022.

Further to the SREP for 2022, the NFSA announced on 14 November 2022 that the Pillar 2 requirement for the Bank and the DNB Group had been set at 2.1 per cent. of REA. In line with Article 104a of the Capital Requirements Directive, the Pillar 2 requirement must be fulfilled with approximately 1.2 per cent. common equity tier 1 capital, approximately 0.4 per cent. additional tier 1 capital and approximately 0.5 per cent. tier 2 capital. Further, the NFSA also advised that the Bank and the DNB Group should hold a common equity tier 1 capital buffer ("**Pillar 2 Guidance**") of not less than 1.5 per cent. on top of the total common equity tier 1 capital requirement. The updated Pillar 2 requirement and Pillar 2 Guidance have applied since 31 December 2022.

There can be no assurance as to the applicable future Pillar 2 additional own funds requirements which may be imposed on the Bank and/or the DNB Group, nor as to how the NFSA's policy with respect to Pillar 2 requirements may develop in the future.

The requirements are calculated by reference to a number of factors any one of which, or combination of which, may not be easily observable or capable of calculation by investors. Further, the NFSA may raise the capital requirement of the Issuer to cover other risks without such information being disclosed to the public. Accordingly, investors in the Notes may not be able to assess or predict accurately the proximity of the risk of interest payments not being made.

***The Notes may be traded with accrued interest, but (i) under certain circumstances described above, such interest will be cancelled and not paid on the scheduled payment date and (ii) the Issuer retains full discretion to cancel interest otherwise scheduled to be paid on any date.***

The Notes may trade, and/or the prices for the Notes may appear, in any trading systems and/or on any stock exchange on which the Notes are for the time being quoted, with accrued interest. If this occurs, purchasers of Notes in the secondary market will pay a price that reflects such accrued interest upon purchase of the Notes. However, if a payment of interest is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Notes will not be entitled to that interest payment (or, if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant scheduled payment date or thereafter.

***Upon the occurrence of a Trigger Event, the principal amount of the Notes will be Written Down.***

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 capital of the Bank and the DNB Group. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Conditions of the Notes. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of any of the Bank and the DNB Group.

Accordingly, if at any time the CET1 Ratio (calculated as provided in the Conditions) of the Bank and/or the DNB Group falls below 5.125 per cent., the Issuer shall immediately notify the NFSA and, without delay and by no later than one month (or such shorter period as the NFSA may then require) from the occurrence of the relevant Trigger Event, shall:

(a) cancel all interest accrued to (but excluding) the Write Down Date (whether or not such interest has become due for payment and including any interest scheduled for payment on the Write Down Date); and

(b) (without the need for the consent of the Holders) reduce the then Outstanding Principal Amount of each Note by the relevant Write Down Amount (such reduction, a "**Write Down**" and "**Written Down**" being construed accordingly).

The relevant Write Down Amount of each Note will be the lower of (i) and (ii) below:

(i) the amount per Note which is determined by the Bank to be necessary (in conjunction with (a) the concurrent Write Down of the other outstanding Notes and (b) the concurrent (or substantially concurrent) write-down or conversion into equity of, or other loss absorption measures taken in respect of, any other Loss Absorbing Instruments) to restore each of the Bank's and/or the DNB Group's (as applicable) CET1 Ratio to at least 5.125 per cent. (and so that the lowest of such CET1 Ratios is equal to (or as near as is practicable equal to but not less than) 5.125 per cent.); and

(ii) the amount necessary to reduce the Outstanding Principal Amount of each Note to zero.

Write Down of the Notes will be effected, save as may otherwise be required by the NFSA, *pro rata* with (a) the concurrent Write Down of the other outstanding Notes and (b) the concurrent (or substantially concurrent) write-down or conversion into equity, as the case may be, of any Loss Absorbing Instruments (based on the prevailing principal amount of the relevant Loss Absorbing Instrument), provided, however, that:

(1) with respect to each Loss Absorbing Instrument (if any), such *pro rata* write down or conversion shall only be taken into account to the extent required to restore the relevant CET1 Ratio(s) to the lower of (i) such Loss Absorbing Instrument's trigger level and (ii) 5.125 per cent. (being the level at which a Trigger Event occurs in respect of the Notes); and

(2) if for any reason the Bank is unable to effect the concurrent (or substantially concurrent) write-down or conversion of any given Loss Absorbing Instruments within the period required by the NFSA, the Notes will be Written Down notwithstanding that the relevant Loss Absorbing Instruments are not also written down or converted (and, in such circumstances, the Write Down Amount may be higher than would otherwise have been the case).

For the avoidance of doubt, any Loss Absorbing Instruments with a trigger level expressed by reference to a relevant CET1 Ratio falling below a level which is equal to or higher than 5.125 per cent. may be expected to share losses *pro rata* with the Notes until the relevant CET1 Ratio(s) have been restored to 5.125 per cent. If, at the relevant time, there are outstanding any Loss Absorbing Instruments with a trigger level expressed by reference to a relevant CET1 Ratio falling below a level which is lower than 5.125 per cent., such Loss Absorbing Instruments may be expected, under their terms, to share losses *pro rata* with the Notes only if any relevant CET1 Ratio(s) fall below such lower threshold, and only to the extent necessary to restore the relevant CET1 Ratio(s) to such lower threshold.

The Write Down of the Notes will affect the claims of the Holders in various respects. Firstly, in the event of a winding-up of the Issuer, the claims of the Holders will be in respect of the Outstanding Principal Amount of the Notes at the time of the winding-up of the Issuer, and not for the Original Principal Amount. Similarly, upon a redemption of the Notes by the Issuer at its option pursuant to Condition 9.2 (*Redemption at the option of the Bank*) or following the occurrence of a Capital Event, a Tax Event or a Withholding Tax Event, the redemption amount of each Note will be its Outstanding Principal Amount at the time of such redemption (together with accrued and unpaid interest) and not its Original Principal Amount.

Secondly, interest will accrue only on the Outstanding Principal Amount of the Notes from time to time, and accordingly for so long as the Outstanding Principal Amount of the Notes is less than their Original Principal Amount, the maximum amount of interest which may be paid by the Issuer (subject always to applicable payment restrictions and interest cancellation as provided above) on any Interest Payment Date shall be less than if no Write Down had occurred.

In addition, as the occurrence of a Trigger Event is linked to the CET1 Ratios of the Bank and the DNB Group, any reduction in any such CET1 Ratio may have an adverse effect on the market price of the Notes, and such adverse effect may be particularly significant if there is any indication or expectation that any such CET1 Ratio is or may be trending towards 5.125 per cent.

A Write Down may occur on any one or more occasions, and the Outstanding Principal Amount of the Notes may be reduced in part or in whole. Holders will not be entitled to any compensation or other payment as a result of any Write Down of the Notes. Accordingly, if a Trigger Event occurs, Holders could lose all or part of the value of their investment in the Notes if the Issuer subsequently redeems the Notes or a winding-up of the Issuer occurs, or if the Holder sells its Notes.

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, which may be outside the control of the Issuer. Whilst the Issuer is required to publish information regarding the regulatory capital ratios of the Issuer and the DNB Group as part of its financial statements each quarter, the determination that a Trigger Event has occurred may be made at any time and shall be based on information (whether or not published) available to management of the Bank, including information internally reported within the Bank and/or the DNB Group (as applicable) pursuant to procedures for ensuring effective on-going monitoring of the capital ratios of the Bank and the DNB Group. Accordingly, whether or not any such CET1 Ratio is trending towards 5.125 per cent. may not be easily visible to Holders or other prospective investors. Accordingly, investors may be unable accurately to predict if and when a Trigger Event may occur. See "*The circumstances surrounding or triggering a Write Down are unpredictable, and there are a number of factors that could affect the CET1 Ratio of the Bank and/or the DNB Group*" below.

Whilst the Conditions provide for Discretionary Reinstatement of the principal amount of the Notes in certain circumstances, any such Discretionary Reinstatement will be in the sole and absolute discretion of the Issuer, and there is no provision for the automatic Discretionary Reinstatement of the Notes in any circumstances and any Discretionary Reinstatement will be subject to certain restrictions. Discretionary Reinstatement may only occur if each of the Bank and the DNB Group generates a net profit in any given financial year, and only a specified percentage of the lowest of any such profits will be available for the Issuer to apply (in its sole discretion) to a Discretionary Reinstatement of the Notes. See Condition 8 (*Discretionary Reinstatement of the Notes*) for further details on the calculation of such amount. Further, a Discretionary Reinstatement will not be effected in circumstances where it would cause a Trigger Event, or would result in any Maximum Distributable Amount then applicable to the Bank and/or the DNB Group to be exceeded. Even if, following a Trigger Event, the Bank and the DNB Group each record net profits, there can be no assurance that any Discretionary Reinstatement of any part of the principal amount of the Notes will be effected.

In addition to Write Down of the Notes in accordance with the Conditions, the principal amount of the Notes may be written down pursuant to the Financial Institutions Act – see *"The Notes may become subject to resolution actions under the Norwegian implementation of BRRD, and may be written down or converted into equity in certain circumstances*" below.

***The circumstances surrounding or triggering a Write Down are unpredictable, and there are a number of factors that could affect the CET1 Ratio of the Bank and/or the DNB Group.***

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, which may be outside the control of the Issuer. The CET1 Ratio of the Bank and the DNB Group can be expected to fluctuate on an on-going basis and could be affected by one or more factors, including, among other things, changes in the mix of the business of the Bank and/or the DNB Group, major events affecting their respective earnings, distributions payments, regulatory changes (including changes to definitions and calculations of the CET1 Ratio and its components, including Common Equity Tier 1 and REA) and their ability to manage REA.

In making strategic decisions, including in respect of capital management, the Bank is required to have regard to the interests of all stakeholders in the Bank as a whole and not to prioritise the particular interests of any group of stakeholders (such as investors in the Notes or other capital providers). Holders will not have any claim against the Bank or any other member of the DNB Group in relation to strategic decisions that affect the business and operations of the Bank or Group, including if such decisions result in a deterioration in their capital position and an increased risk of the occurrence of a Trigger Event.

Further, the calculation of the CET1 Ratio of the Bank and/or the DNB Group may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules, whether or not the underlying data of the Bank and/or the DNB Group which feeds into such accounting or regulatory framework changes.

It will be difficult to predict when, if at all, a Trigger Event may occur. Accordingly, the trading behaviour of the Notes is not necessarily expected to follow the trading behaviour of other types of securities without this feature. Any indication that a Trigger Event may occur can be expected to have a material adverse effect on the market price of the Notes.

***The Maximum Distributable Amount, Trigger Event and Discretionary Reinstatement will be affected by the performance of the DNB Group's non-banking businesses as well as the performance of its banking operations.***

In addition to the banking activities of the DNB Group, the DNB Group also offers a range of other financial services including asset management activities organised under DNB Asset Management Holding AS and life insurance and pension saving products offered by DNB Livsforsikring. Please see "*Description of the Bank and the DNB Group — Legal Structure of the DNB Group*" below for further details. As a result, the financial performance of the DNB Group and, therefore, the potential for payment restrictions on the Notes, the occurrence of a Trigger Event and/or Discretionary Reinstatement, may all be affected by or subject to a range of factors affecting those non-banking businesses.

In particular, the calculation of the DNB Group's common equity tier 1 ratio, which is directly linked to a Trigger Event under the Notes and relevant to whether or not the DNB Group is meeting its combined buffer requirement, may be affected by the performance of the insurance business. The investments in the insurance businesses in accordance with the current Norwegian regulation are reflected in the capital adequacy of the DNB Group by way of a deduction and risk weighting approach similar to article 48 of the CRR. Investments in insurance subsidiaries are risk weighted at 250 per cent. within an aggregated limit of 10 per cent. of the DNB Group's CET1 capital and will be deducted from the CET1 capital for the part of the investment superseding this limit. Negative performance and increased capital needs in the insurance business may have a negative impact on the DNB Group's common equity tier 1 ratio. Norwegian authorities have implemented key elements of the transitional rules applicable to Solvency II. Among other measures, there is an option for companies to apply for a 16 year transition period before the full effect of Solvency II has to be recognised. DNB Livsforsikring has been granted permission to take advantage of this transition period.

According to IFRS, the DNB Group shall assess at the end of each reporting period whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of future cash flows, the entire deficiency shall be recognised in profit or loss. Hence, the DNB Group's common equity tier 1 capital will be reduced accordingly, which may adversely affect the DNB Group's common equity tier 1 ratio.

The DNB Group also comprises DNB Asset Management and the performance of this business will also be recognised in the DNB Group's financial position. Hence, a negative performance in the Asset Management business will negatively impact the financial performance and the CET1 Ratio of the DNB Group, which could affect the Bank's ability to make discretionary payments, including payments (in full or in part) of interest, on the Notes.

***The Notes may become subject to resolution actions under the Norwegian implementation of BRRD, and may be written down or converted into equity in certain circumstances.***

As further described above under "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes—Risks Related to the Legal and Regulatory Environments in which the DNB Group Operates—The financial services industry is subject to intensive regulation, including capital adequacy regulation, and the regulatory framework is undergoing major changes—Bank winding up and crisis management*", the implementation of BRRD into Norwegian law via Chapter 20 of the Financial Institutions Act as of 1 January 2019 provides significant powers to the Norwegian resolution authorities to resolve a failing bank.

The Notes may be subject to write down or conversion into equity on any application of the non-viability loss absorption powers or the general bail-in tool, which may result in Holders losing some or all of their investment in the Notes or their rights in respect of the Notes and/or the value of their investment may otherwise be materially adversely affected. Such application could also involve modifications, including alteration of the principal amount or any interest payable on the Notes, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period, to or the disapplication of provisions in, the Conditions. As a result, the exercise of any power under the BRRD as implemented in Norway could materially adversely affect the rights of Holders.

Any instruments written down, converted to equity and/or cancelled pursuant to these powers will not be reinstated in whole or in part at any time. Accordingly, if the principal amount of the Notes were to be written down or converted to equity pursuant to the powers under the Norwegian implementation of BRRD at Chapter 20 of the Financial Institutions Act, then there will be no Discretionary Reinstatement of the Notes under the Conditions in respect of that part of the principal which has been so written down or converted to equity.

The write down or conversion to equity of the Notes under the Norwegian implementation of BRRD will affect the claims of the Holders in various respects. Firstly, in the event of a winding-up of the Issuer, the claims of the Holders will be in respect of the Outstanding Principal Amount of the Notes at the time of the winding-up of the Issuer, and not for the Original Principal Amount. Similarly, upon any redemption of the Notes by the Issuer at its option pursuant to Condition 9.2 (*Redemption at the option of the Bank*) or following the occurrence of a Capital Event, a Tax Event or a Withholding Tax Event, the redemption amount of each Note will be its Outstanding Principal Amount (together with accrued and unpaid interest) and not its Original Principal Amount.

In addition, interest will accrue only on the Outstanding Principal Amount of the Notes from time to time, and accordingly for so long as the Outstanding Principal Amount of the Notes is less than their Original Principal Amount, the maximum amount of interest which may be paid by the Issuer (subject always to cancellation as provided in the Conditions) on any scheduled payment date shall be less than if the Notes had not been written down or converted to equity.

The circumstances in which the Notes may be written down or converted to equity pursuant to the resolution powers afforded to the Norwegian resolution authorities under the Norwegian implementation of BRRD are not identical to the circumstances in which a Write Down will occur following a Trigger Event, and there can be no assurance that a Write Down following a Trigger Event would occur before the Norwegian authorities elect to exercise their write-down or conversion powers in respect of the Notes under the Norwegian implementation of BRRD. Further, if a Trigger Event were to occur simultaneously with the exercise of the resolution powers by the Norwegian resolution authorities, the latter may prevail, with the effect that the Notes may be written down or converted to equity in full in circumstances where there would only be a partial write-down under the Conditions.

In addition, the market price of the Notes could be adversely affected by any actual or anticipated use of the powers thereunder in respect of the Bank, the DNB Group and/or the Notes. Any action taken under such legislation in respect of the Bank or the DNB Group could also affect the ability of the Bank to satisfy its obligations under the Notes.

Under the terms of the Notes, investors agree to be bound by and consent to the exercise of any Norwegian bail-in power by the relevant Norwegian resolution authority which gives such authority the ability to cancel, write-down the principal and/or interest, convert the Notes into equity securities or make other modifications to the Notes. In the event that Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*) were to be considered ineffective or unenforceable, the Bank may substitute or vary the Notes to ensure the effectiveness and enforceability of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*), such that any exercise of the relevant powers by the Norwegian resolution authority would be effective, which may adversely affect the rights of Holders.

***The Notes do not contain events of default and the enforcement rights available to Holders under the Notes are limited.***

The terms of the Notes do not provide for any events of default. Holders may not at any time demand repayment or redemption of their Notes, and enforcement rights for any payment are limited to the claim of Holders in a winding-up of the Issuer. In a winding-up of the Issuer, the holder of any Note 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 winding-up together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding commencement of such winding-up and any other amounts payable on such Note under the Conditions.

A Holder may not itself file for the liquidation or bankruptcy of the Issuer.

***The terms of the Notes contain very limited covenants.***

There is no negative pledge in respect of the Notes. In addition, the Issuer is generally permitted to sell or otherwise dispose of any or substantially all of its assets to another corporation or other entity under the terms of the Notes. If the Issuer decides to dispose of a large amount of its assets, Holders of the Notes will not be entitled to require repayment of the Notes or have any other recourse to the Issuer in respect of such disposal, and those assets will no longer be available to support the Notes. In addition, the Notes do not require the Issuer to comply with financial covenants or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer's ability to service its debt obligations, including those of the Notes.

***The Notes are not protected under the Norwegian Banksikringsfond.***

The *Banksikringsfond* is the statutory fund of last resort for customers of authorised financial services firms paying compensation to customers if the firm is unable, or likely to be unable, to pay certain claims (including in respect of deposits and insurance policies) made against it (together, "**Protected Liabilities**").

The Notes are not, however, Protected Liabilities under such scheme and, moreover, are not guaranteed or insured by any government, government agency or compensation scheme of the Kingdom of Norway or any other jurisdiction. As such, Holders do not receive the same protection for their investment in the Notes as they would for investments in Protected Liabilities.

***There is no scheduled redemption date for the Notes and Holders have no right to require redemption.***

The Notes have no fixed maturity. The Issuer has no obligation at any time to redeem the Notes, and the Holders have no rights to require redemption or purchase of the Notes by the Bank at any time.

The Issuer may redeem the Notes (in whole but not in part) in its sole discretion, subject to compliance with Applicable Banking Regulations (including, if so required thereunder, obtaining the approval of the NFSA), on any date: (i) during the period from (and including) the First Call Date up to (and including) the Reset Date or on any Interest Payment Date thereafter; or (ii) on any date up to (and including) the Reset Date or on any Interest Payment Date thereafter if 75 per cent. or more of the aggregate nominal amount of the Notes originally issued (and, for this purpose, any further Notes issued pursuant to Condition 18 (*Further Issues*) which are, or are to be, consolidated and form a single series with the outstanding Notes shall be deemed to have been originally issued) has been purchased and cancelled in accordance with Condition 9 (*Redemption and Purchase*), in each case at their Redemption Amount.

Further, following the occurrence of a Capital Event, a Tax Event or a Withholding Tax Event (each as further described below), the Issuer may redeem the Notes (in whole but not in part) in its sole discretion, subject to compliance with Applicable Banking Regulations (including, if so required thereunder, obtaining the approval of the NFSA), at any time during the Fixed Rate Period, or thereafter on any Interest Payment Date, at their Redemption Amount. For these purposes:

- a Capital Event will occur if the Bank determines, after consultation with the NFSA, that as a result of a change (or pending change) in the regulatory classification of the Notes under the Applicable Banking Regulations that occurs on or after the Issue Date, the entire Outstanding Principal Amount of the Notes or any part thereof is (or would be) excluded from the Tier 1 Capital of the Bank and/or the DNB Group;

- a Tax Event will occur if the Bank has received an opinion of counsel in the Kingdom of Norway (experienced in such matters) to the effect that, as a result of a Change in Law (A) the Bank is, or will be, subject to additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes; or (B) the Bank is not, or will not be, entitled to claim a deduction in respect of any payments of interest in respect of the Notes in computing its taxation liabilities (or such deduction would be materially reduced); or (C) the treatment of any of the Bank's items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Bank will not be respected by a taxing authority, which subjects the Bank to additional taxes, duties or other governmental charges; and

- a Withholding Tax Event will occur if the Bank has received an opinion of counsel in the Kingdom of Norway (experienced in such matters) to the effect that, as a result of a Change in Law (as defined in the Conditions) the Bank is or will be required to pay additional amounts as provided in Condition 11 (*Taxation*).

The circumstances in which a Capital Event, a Tax Event or a Withholding Tax Event may occur may be difficult accurately to predict.

For example, on 31 March 2022, the ECB published its response to the call for advice from the European Commission relating to the European Commission's mandate to complete a review of the macro-prudential provisions in the CRR and CRD IV by June 2022 and, if appropriate, to submit a legislative proposal to the European Parliament and the Council by December 2022. In respect of each of the four areas included in the call for advice, the ECB provided comments on the operation of the buffer framework, considerations in relation to the internal market, missing or obsolete instruments and global risk. In the context of AT1 instruments, the ECB stated that it supports strengthening the features of AT1 capital to reduce the stigma effects associated with banks cancelling AT1 interest payments when they fall beneath the level of their combined buffer requirements. Additionally, the ECB stated that they believe that there is a need to strengthen the ability of AT1 to act as going concern capital, specifically regarding the flexibility of payments. In particular, the ECB stated that the current CRR definition of 'distributable items' should be reviewed to ensure that only profitable banks or banks with positive retained earnings could make AT1 interest or common equity tier 1 dividend payments. The European Commission has not, as at the date of this Prospectus, put forward a legislative proposal. In any event, the final details of this review and the final substance of any resulting legislative proposals, and when and how such proposals, if enacted, will be applied in Norway, are uncertain. If there are ultimately any changes to the prudential rules applicable to the Bank with respect to the requisite features of AT1 instruments (such as the Notes), and subject to any transitional or grandfathering provisions with respect to AT1 instruments issued prior to such changes to the prudential rules, there can be no assurance that any such changes would not result in a Capital Event with respect to the Notes.

At any time when the Notes may be redeemed by the Issuer or the market anticipates that the redemption right will become available, the market price of the Notes is unlikely to substantially exceed the price at which the Issuer may elect to redeem the Notes. If the Issuer redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case Holders may only be able to reinvest the redemption proceeds in Notes with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether the events referred to above will occur and lead to circumstances in which the Issuer may elect to redeem the Notes, and if so whether or not the Issuer will satisfy the conditions, or elect, to redeem the Notes. The Issuer may be more likely to exercise its option to redeem the Notes at a time when its funding costs would be lower than the prevailing interest rate payable in respect of the Notes. If the Notes are so redeemed, there can be no assurance that Holders will be able to reinvest the amounts received upon redemption at a rate that will provide as favourable a rate of return as their investment in the Notes.

***Limitation on gross-up obligation under the Notes.***

The Bank's obligation under Condition 11 (*Taxation*) to pay additional amounts in the event of any withholding or deduction in respect of taxes on any payments under the terms of the Notes applies only to payments of interest and not to payments of principal or any other amounts. As such, the Bank would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Holders of the Notes may receive less than the full amount of principal due under the Notes upon redemption, and the market value of the Notes may be adversely affected.

***Holders may be subject to FATCA withholding.***

Under certain provisions of the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder (commonly referred to as "**FATCA**"), as well as certain intergovernmental agreements between the United States and certain other countries together with local country implementing legislation, a 30 per cent. withholding tax may be imposed on all or some of the payments on the Notes, if those payments are treated as "foreign passthru payments", to holders of the Notes and non-U.S. financial institutions receiving payments on behalf of such holders that, in each case, fail to comply with information reporting, certification and related requirements. Under current regulations, the term "foreign passthru payments" is not defined, and it is not yet clear whether or to what extent payments on the Notes may be subject to this withholding tax. However, the U.S. Internal Revenue Service (the "**IRS**") has indicated that it will not apply withholding tax to any foreign passthru payments made prior to two years after the date on which final regulations on this issue are published. This withholding tax, if it applies, could apply to any payment made with respect to the Notes, including payments of both principal and interest. Moreover, withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Notes held through a non-compliant institution may be subject to withholding even if the holder of the Notes otherwise would not be subject to withholding.

If withholding is required in respect of this withholding tax, the Issuer will not be required to pay any additional amounts with respect to any amounts withheld. Holders are urged to consult their tax advisers and any banks or brokers through which they will hold the Notes as to the consequences (if any) of these rules to them.

***Substitution and variation.***

If at any time a Tax Event, a Withholding Tax Event or a Capital Event occurs, or in order to ensure the effectiveness and enforceability of Condition 20, the Bank may, instead of giving notice to redeem the Notes as aforesaid, but solely to the extent permitted at such time by, and subject to compliance with, the Applicable Banking Regulations (including, if so required thereunder, obtaining the approval of the NFSA), upon giving notice to the holders of the Notes, either substitute all (but not some only) of the Notes for, or vary the terms of the Notes (including, in either case, changing the governing law of Condition 20 from English law to Norwegian law) provided that they remain or become, Compliant Additional Tier 1 Notes (as defined in the Conditions).

Whilst, other than in respect of the effectiveness and enforceability of Condition 20, Compliant Additional Tier 1 Notes must have terms which (as reasonably determined by the Bank) are not materially less favourable to the Holders than the Notes, there can be no assurance that the terms of the substitute or varied Notes will be as favourable to all Holders in all circumstances.

***The interest rate on the Notes will be fixed until the Reset Date and thereafter will be reset on each Interest Payment Date, which can be expected to affect the interest payment on an investment in the Notes and could affect the market value of the Notes.***

The Notes bear interest at a fixed rate until the Reset Date. During that time, holders of Notes are exposed to the risk that the price of such Notes may fall because of changes in the market yield. While the nominal interest rate Notes is fixed until the Reset Date for such Notes, the market yield typically changes on a daily basis. As the market yield changes, the price of the Notes changes in the opposite direction, i.e. if the market yield increases, the price of the Notes would be expected to fall and if the market yield falls, the price of the Notes would be expected to increase. There is a risk that the price of the Notes is adversely affected by movements of the market yield, which could result in Holders losing a significant part of their investment in such Notes.

From and including the Reset Date, the Rate of Interest on the Notes will vary for each Floating Interest Period. On each Floating Interest Payment Date, the interest rate will be set to the sum of the applicable Reference Rate and the margin of 3.500 per cent. as determined by the Bank on the relevant Reference Rate Determination Date. The new Floating Rate of Interest for any Floating Interest Period could be less than previous (or initial) Rate of Interest and could affect the market value of an investment in the Notes.

***The regulation and reform of benchmarks may adversely affect the value of the Notes, and the Conditions provide for the replacement of NIBOR as the applicable screen rate for calculation of interest payments if a Benchmark Event occurs.***

Interest rates and indices which are deemed to be "benchmarks" (such as NIBOR) 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 securities referencing such a benchmark.

The Benchmarks Regulation was implemented in Norway with effect from December 2019. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EEA. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EEA-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EEA supervised entities (such as the Bank) of benchmarks of administrators that are not authorised or registered (or, if non-EEA based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on the Notes, interest payments on which are linked to the NIBOR benchmark. This may be the case if the methodology or other terms of NIBOR 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 NIBOR. Alternatively, if NIBOR is discontinued or a Benchmark Event otherwise occurs, future payments of interest on the Notes may be determined by reference to a successor rate or an alternative rate, or may be determined by the Bank (as discussed further below).

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.

It is not possible to predict with certainty whether, and to what extent, NIBOR will continue to be supported going forward. This may cause NIBOR to perform differently than it has done in the past, and may have other consequences which cannot be predicted. The potential elimination of NIBOR, or changes in the manner of administration of NIBOR, could require an adjustment to the Conditions, or result in other consequences which may be materially adverse to Holders. Such factors may have (without limitation) the following effects: (i) discouraging market participants from continuing to administer or contribute to NIBOR; (ii) triggering changes in the rules or methodologies used in NIBOR and/or (iii) leading to the disappearance of NIBOR. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

The Conditions provide for certain fallback arrangements in the event that NIBOR, and/or any page on which NIBOR may be published, becomes unavailable, or Benchmark Event otherwise occurs. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with the application of an Adjustment Spread (which could be positive, negative or zero, or a formula for determining a spread), and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by the Bank (acting in good faith). However, it may not be possible to determine or apply a Successor Rate or Alternative Rate or the corresponding Adjustment Spread, and there can be no guarantee that these provisions will operate as intended, or will not result in a lower interest rate on the Notes than if a Benchmark Event had not occurred.

In certain circumstances, the ultimate fallback for the purposes of calculation of the Floating Rate of Interest for a particular Interest Period may result in the Bank determining the rate it considers most closely reflects the interest rate for deposits in NOK offered for the relevant Interest Period. There can be no assurance that any such determination by the Bank aligns with the rate which may have been set or selected by any other person.

Furthermore, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and Adjustment Spreads, the potential for further regulatory developments and the fact that the provisions of Condition 5.8 (*Benchmark Discontinuation*) may not result in the application of a Successor Rate or Alternative Rate if, in the determination of the Bank, the same could reasonably be expected to prejudice the qualification of the Notes as part of its Additional Tier 1 Capital, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision.

***Because the Notes are held in the VPS, investors will have to rely on the VPS procedures.***

The Notes will be issued in uncertificated, dematerialised book-entry form and registered in the VPS. Legal title to the Notes will be evidenced by book entries in the records of the VPS. Settlement of sale and purchase transactions in respect of the Notes in the VPS will take place two Oslo business days after the date of the relevant transaction. Transfers of interests in the Notes will take place in accordance with the rules and procedures for the time being of the VPS.

Each person who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by the VPS as to the nominal amount of such Notes standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the VPS in accordance with its usual procedures and in which the holder of a particular nominal amount of such Notes is clearly identified together with the amount of such holding) shall be treated by the Bank, the Account Manager and the Paying Agent as the holder of such nominal amount of such Notes for all purposes.

Investors in the Notes will be dependent upon the proper operation of the VPS system in order to be able to exercise their rights in respect of the Notes, including their rights to receive payments of principal and interest, and for effecting transfers of Notes.

***Meetings of Holders and modification.***

The Conditions and the Meetings Schedule contain provisions for calling meetings of Holders (which may, in the Bank's discretion, be convened at a physical place, or via teleconference or videoconference (or similar electronic facilities which enable attendees to hear, and be heard at, the meeting), or a combination of the foregoing) to consider matters affecting their interests generally, or otherwise to pass Written Resolutions. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting or, as the case may be, who did not sign the relevant Written Resolution, including Holders who voted in a manner contrary to the majority.

In addition, the Bank may make, without the consent of the Holders but subject to Condition 9.7 (*Conditions to redemption etc.*):

(i) any modification (except such modifications in respect of which an increased quorum is required as mentioned in the Conditions) to the Notes and/or the Conditions which the Bank deems in its sole opinion is not materially prejudicial to the interests of the Holders;

(ii) any modification to the Notes and/or the Conditions which is necessary to effect any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5.8 (Benchmark Discontinuation); or

(iii) any modification to the Notes and/or the Conditions which the Bank in its sole opinion considers is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Holders.

With respect to (i) above, the inclusion of a term in the Conditions that prohibits or restricts the Issuer's discretion to cancel payments of interest otherwise scheduled to be paid on an Interest Payment Date following the occurrence of a Capital Event will be treated as a modification which is not prejudicial to the interests of the Holders, provided that the inclusion of such term does not result in the occurrence of a Capital Event, a Withholding Tax Event or a Tax Event.

***Change of law.***

The Conditions of the Notes will be governed by the laws of England, save that the provisions regarding subordination of the Notes, set-off, the Solvency Condition, Write Down, Discretionary Reinstatement and any other write-down or conversion of the Notes in accordance with Norwegian law and regulation applicable to the Bank from time to time and provisions relating to meetings of Holders will be governed by the laws of Norway. The Conditions also permit the Bank to vary the terms of the Notes to give effect to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority and/or to ensure the effectiveness and enforceability of Condition 20, which may include changing the governing law of Condition 20 from English law to Norwegian law. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or Norway or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of the Notes if affected by it.

***Legality of purchase.***

Neither the Issuer nor any of its affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it. If it is or becomes illegal for investors, or certain types of investors, to purchase the Notes there is a risk that Holders may not be able to sell their Notes at the price at which they purchased them, with the potential result that investors may lose some or all of their investment in the Notes.

## RISKS RELATED TO THE MARKET GENERALLY

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

### The secondary market generally

The Notes represent a new instrument for which no secondary trading market currently exists and there can be no assurance that one will develop. If a market for the Notes does develop, it may not be very liquid. If the Notes are issued to a single investor or a limited number investors, this may result in an even more illiquid or volatile market in 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. Illiquidity may have a severely adverse effect on the market value of Notes.

If a market for the Notes does develop, the trading price of the Notes may be subject to wide fluctuations in response to many factors, including those referred to in this risk factor, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Notes. Publicly traded Notes from time to time experience significant price and volume fluctuations (including significant reductions in market value) that may be unrelated to the operating performance of the companies that have issued them, and such volatility may be increased in an illiquid market. If any market in the Notes does develop, it may become severely restricted, or may disappear, if the financial condition and/or the CET1 Ratio of the Bank and/or the DNB Group deteriorates such that there is an actual or perceived increased likelihood of the Issuer being unable or unwilling to pay interest on the Notes in full, or of the Notes being Written Down or otherwise subject to loss absorption or an applicable statutory loss absorption regime. In addition, the market price of the Notes may fluctuate significantly in response to a number of factors, some of which are beyond the Issuer’s control, including:

- material decreases in the capital ratios of the Bank and/or the DNB Group and/or any application to any of them of a Maximum Distributable Amount, which could arise as a result of a number of factors including changes in regulation or losses incurred by the Bank and/or the DNB Group;

- variations in operating results of the Bank and/or the DNB Group;
- any change in the actual or perceived ranking of the Notes relative to any other obligations of the Bank;
- any shortfall in revenue or net profit or any increase in losses from levels expected by market commentators;
- increases in capital expenditure compared with expectations;
- any perception that the Bank's and/or the DNB Group's strategy is or may be less effective than previously assumed or that the Bank and/or the DNB Group is not effectively implementing any significant projects;
- changes in financial estimates by Notes analysts;
- changes in market valuations of similar entities;
- announcements by the Bank and/or the DNB Group of significant acquisitions, strategic alliances, joint ventures, new initiatives, new services or new service ranges;
- regulatory matters, including changes in regulatory legislation or NFSA requirements (such as a change in the stacking order or Pillar 2 requirements);
- additions or departures of key personnel; and
- future issues or sales of Notes or other securities.

Any or all of these events could result in material fluctuations in the price of Notes which could lead to investors losing some or all of their investment.

The issue price of the Notes might not be indicative of prices that will prevail in the trading market, and there can be no assurance that an investor would be able to sell its Notes at or near the price which it paid for them, or at a price that would provide it with a yield comparable to more conventional investments that have a developed secondary market.

Moreover, although the Issuer or any member of the DNB Group may (subject to the approval of the NFSA and compliance with Applicable Banking Regulations) purchase Notes, they have no obligation to do so. Purchases made by the Issuer or any member of the DNB Group could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

In addition, Holders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Prospectus), whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Notes in secondary re-sales even if there is no decline in the performance of the Notes or the financial condition of the Bank or the DNB Group. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Although applications have been made for the Notes to be admitted to trading on the regulated market of Euronext Dublin and the Oslo Stock Exchange, there is no assurance that such applications will be accepted or that an active trading market will develop.

***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in Norwegian kroner. 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 Norwegian kroner. These include the risk that exchange rates may significantly change (including changes due to devaluation of Norwegian kroner or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or Norwegian kroner may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Norwegian kroner would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate 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 as measured in the Investor's Currency.

***Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained***

S&P is expected to assign a credit rating of 'BBB' to the Notes. In addition, S&P, Moody's and DBRS have assigned credit ratings to the Issuer (in the case of DBRS, on an unsolicited basis). The Notes or, as the case may be, the Issuer may also be assigned further unsolicited credit ratings by any rating agency. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes or the standing of the Issuer.

A rating is not a recommendation to buy, sell or hold securities and any rating agency may revise, suspend or withdraw at any time the relevant rating assigned by it if, in the sole judgement of the relevant rating agency, among other things, the credit quality of the Notes or, as the case may be, the Issuer has declined or is in question. In addition, there is no guarantee that any rating of the Notes and/or the Issuer will be maintained by the Issuer following the date of this Prospectus. If any rating assigned to the Notes and/or the Issuer, including any unsolicited credit rating, is assigned at a lower level than expected or subsequently revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Notes may be reduced.

Furthermore, in general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any adverse changes of such methodologies may materially and adversely affect the Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing.

## DOCUMENTS INCORPORATED BY REFERENCE

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

(a) the audited consolidated and non-consolidated annual financial statements of the Bank for the financial years ended 31 December 2021 (which can be viewed online at https://www.ir.dnb.no/sites/default/files/pr/202203097662-1.pdf?ts=1648019291) and 31 December 2022 (which can be viewed online at https://www.ir.dnb.no/sites/default/files/pr/202303097878-2.pdf?ts=1685008054) prepared in accordance with International Financial Reporting Standards as approved by the EU, and with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, respectively, including the information set out at the following pages of the Bank's 'Annual report 2021' and 'Annual report 2022', respectively:

| | *2021* | *2022* |
|---|---|---|
| *Consolidated financial statements* | | |
| Income statement and comprehensive income statement | pages 156-157 | page 188 |
| Balance sheet | page 158 | page 189 |
| Statement of changes in equity | page 159 | page 190 |
| Cash flow statement | page 160 | page 191 |
| Accounting principles | pages 161-172 | pages 192-202 |
| Notes to the accounts | pages 161-238 | pages 192-274 |
| *Non-consolidated financial statements* | | |
| Income statement and comprehensive income statement | pages 240-241 | page 276 |
| Balance sheet | page 242 | page 277 |
| Statement of changes in equity | page 243 | page 278 |
| Cash flow statement | page 244 | page 279 |
| Accounting principles | Page 245 | Page 280 |
| Notes to the accounts | Pages 245-268 | Pages 280-320 |
| *Auditor's report* | | |
| Auditor's report | pages 288-297 | pages 322-328 |

(b) the unaudited consolidated and non-consolidated interim financial statements of the Bank for the three-month and six-month periods ended 30 June 2023 (which can be viewed online at https://www.ir.dnb.no/sites/default/files/pr/202307122268-1.pdf?ts=1692390326) prepared in accordance with International Financial Reporting Standards as approved by the EU, and with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, respectively, including the information set out at the following pages of the Bank's 'Second quarter and first half report 2023':

| | *Q2 2023 and six-month report 2023* |
|---|---|
| *Consolidated financial statements (unaudited)* | |
| Income statement and comprehensive income statement | page 10 |
| Balance sheet | page 11 |
| Statement of changes in equity | page 12 |
| Cash flow statement | page 13 |
| Notes to the accounts | pages 14-24 |
| *Non-consolidated financial statements (unaudited)* | |

| | *Q2 2023 and six-month report 2023* |
|---|---|
| Income statement and comprehensive income statement | page 25 |
| Balance sheet | page 26 |
| Statement of changes in equity | page 27 |
| Notes to the accounts | pages 28-31 |

(c) the unaudited consolidated comparative financial information (including quarterly financial information) for the year ended 31 December 2022 (which can be viewed online at https://ir.dnb.no/sites/default/files/pr/202304202937-2.pdf?ts=1681992254) to reflect the implementation of the new standard IFRS 17 Insurance Contracts. At the same time, the DNB Group changed the classification of some financial instruments under IFRS 9.

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

The information specified above appearing in 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 deemed to 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 be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Following the publication of this Prospectus, a supplement to this Prospectus may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

## TERMS AND CONDITIONS OF THE NOTES

*The following (except for paragraphs in italics, which are included by way of disclosure only and do not form part of the Terms and Conditions of the Notes) is the text of the Terms and Conditions of the Notes. The Notes will not be evidenced by any physical note or document of title other than statements of account made by the VPS. Ownership of the Notes will be recorded and transfer effected only through the book-entry system and register maintained by the VPS.*

### 1. Introduction

1.1 *Notes*: The NOK 650,000,000 Fixed-to-Floating Rate Perpetual Additional Tier 1 Capital Notes (the "**Notes**") are issued by DNB Bank ASA (the "**Bank**"). The Notes constitute *Fondsobligasjoner*.

1.2 *Procedures*: DNB Bank ASA, Verdipapirservice will act as account manager for the Notes in the VPS (the "**Account Manager**") and DNB Bank ASA will act as paying agent for the Notes (the "**Paying Agent**"). The Notes are subject to the rules and procedures for the time being of the VPS and applicable market practice in the Norwegian bond market.

### 2. Definitions and Interpretation

2.1 *Definitions*: In these Conditions the following expressions have the following meanings:

"**Accounting Currency**" means NOK or such other primary currency used in the presentation of the Bank's and/or the DNB Group's accounts (as the context requires) from time to time;

"**Additional Tier 1 Capital**" has the meaning given in the Applicable Banking Regulations;

"**Adjustment Spread**" has the meaning given to such term in Condition 5.8(j) (*Benchmark Discontinuation - Definitions*);

"**Alternative Rate**" has the meaning given to such term in Condition 5.8(j) (*Benchmark Discontinuation - Definitions*);

"**Applicable Banking Regulations**" means, at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy and prudential supervision then applicable to the Bank and/or the DNB Group, as the case may be, including, without limitation to the generality of the foregoing, the Financial Institutions Act, the Financial Institutions Regulation and the Calculation Regulations and any other laws, regulations, requirements, guidelines and policies relating to capital adequacy and prudential supervision as then applied and interpreted in Norway by the Norwegian Ministry of Finance and/or Norwegian FSA (whether or not such requirements, guidelines or policies have the force of law and whether they are applied generally or specifically to the Bank and/or the DNB Group, as applicable);

"**Assets**" means the unconsolidated gross assets of the Bank as shown in its latest published audited balance sheet, but adjusted for subsequent events in such manner as the Directors of the Bank may determine;

"**Benchmark Amendments**" has the meaning given to such term in Condition 5.8(d) (*Benchmark Discontinuation – Benchmark Amendments*);

"**Benchmark Event**" has the meaning given to such term in Condition 5.8(j) (*Benchmark Discontinuation - Definitions*);

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

"**Calculation Regulations**" means Norwegian Regulation 2014-08-22 No. 1097 on capital requirements and national adaption of CRR/CRD IV (*FOR 2014-08-22 nr 1097: Forskrift om kapitalkrav og nasjonal tilpasning av CRR/CRD IV*), as amended or superseded from time to time;

a "**Capital Event**" means the determination by the Bank, after consultation with the Norwegian FSA, that as a result of a change (or pending change) in the regulatory classification of the Notes under the Applicable Banking Regulations that occurs on or after the Issue Date, the entire Outstanding Principal Amount of the Notes or any part thereof is (or would be) excluded from the Tier 1 Capital of the Bank and/or the DNB Group;

"**CET1 Capital**" means, at any date, with respect to the Bank or the DNB Group (as the case may be), the sum, expressed in the Accounting Currency, of all amounts that constitute Common Equity Tier 1 Capital of the Bank or the DNB Group, respectively, as at such date, less any deductions from Common Equity Tier 1 Capital required to be made as at such date, in each case as calculated by the Bank (or by the Norwegian FSA or any agent appointed by the Norwegian FSA for the purpose of making such calculation) in accordance with the Applicable Banking Regulations and on the basis that all measures used in such calculation shall, for the purposes of this definition, be calculated on an end-point basis unless, and to the extent that, the Norwegian FSA requires or permits the Bank or the DNB Group (as applicable), for such purposes, to calculate such measures having regard to any applicable transitional provisions under the Applicable Banking Regulations;

"**CET1 Ratio**" means, at any date, with respect to the Bank or the DNB Group (as the case may be), the ratio of its CET1 Capital (*ren kjernekapitaldekning*) as at such date to its Risk Exposure Amount as at such date, expressed as a percentage and calculated by the Bank (or by the Norwegian FSA or any agent appointed by the Norwegian FSA for the purpose of making such calculation) in accordance with the Applicable Banking Regulations and on the basis that all measures used in such calculation shall, for the purposes of this definition, be calculated on an end-point basis unless, and to the extent that, the Norwegian FSA requires or permits the Bank or the DNB Group (as applicable), for such purposes, to calculate such measures having regard to any applicable transitional provisions under the Applicable Banking Regulations;

"**Change in Law**" means (a) any amendment to, clarification of, or change (including any announced prospective change) in the laws or treaties (or any regulations thereunder) of Norway or any political subdivision or taxing authority thereof or therein affecting taxation, (b) any governmental action in Norway or any amendment to, clarification of, or change in the position or interpretation of such laws or treaties (or any regulations thereunder) or governmental action or any official interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in Norway or any political subdivision or taxing authority thereof or therein, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, change, action, pronouncement or decision is effective or such action, pronouncement or decision is announced on or after the Issue Date;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended;

"**Common Equity Tier 1 Capital**" means Common Equity Tier 1 capital as defined in the Applicable Banking Regulations;

"**Compliant Additional Tier 1 Notes**" means securities (whether debt, equity or otherwise) issued directly by the Bank or issued by another member of the DNB Group and unconditionally and irrevocably guaranteed by the Bank where such securities and/or such guarantee, as appropriate:

(i) other than in respect of the effectiveness and enforceability of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*), have terms not materially less favourable to a holder of the Notes, as reasonably determined by the Bank, than the terms of the Notes;

(ii) subject to (i) above, shall (1) rank at least equal to the ranking of the Notes, (2) have the same currency, the same (or higher) interest rate and the same Interest Payment Dates as those from time to time applying to the Notes, (3) have the same redemption rights as the Notes, (4) comply with the then current requirements of the Applicable Banking Regulations in relation to Additional Tier 1 Capital, (5) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be (but without prejudice to the Bank's right to cancel such amount of interest at any time under the Notes or the Compliant Additional Tier 1 Notes) and (6) be assigned (or shall maintain) at least the same credit ratings (if any, and excluding any ratings which were not solicited by the Bank) as were assigned to the Notes immediately prior to such variation or substitution, as the case may be, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*); and

(iii) if the Notes were listed on any market(s) or stock exchange(s) immediately prior to such substitution or variation, as the case may be (excluding any listings which were not solicited by the Bank), are listed on the same market(s) or stock exchange(s) or another exchange-regulated market or stock exchange of (in the Bank's opinion) equivalent standing;

"**Conditions**" means these Terms and Conditions of the Notes, and references to a numbered "**Condition**" should be construed accordingly;

"**CRD IV**" means the legislative package consisting of the CRD IV Directive, the CRR and any CRD IV Implementation Measures;

"**CRD IV Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as the same may be amended or superseded from time to time (including, without limitation, by Directive (EU) No. 2019/878);

"**CRD IV Implementation Measures**" means any regulatory capital rules implementing (or promulgated in the context of) the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts or regulations (including technical standards) adopted by the European Commission, national laws and regulations adopted by the Norwegian Ministry of Finance and guidelines issued by the Norwegian FSA, the European Banking Authority or any other relevant authority, which are applicable to the Bank or the DNB Group, as applicable;

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as the same may be amended or superseded from time to time (including, without limitation, by Regulation (EU) No. 2019/876);

"**Discretionary Reinstatement**" has the meaning given to such term in Condition 8.1 (*Discretionary Reinstatement of the Notes*);

"**Disqualified Additional Tier 1 Obligations**" has the meaning given in Condition 4.7 (*Definitions*);

"**Disqualified Tier 2 Obligations**" has the meaning given in Condition 4.7 (*Definitions*);

"**Distributable Items**" means, with respect to any payment of interest on the Notes, those profits and reserves (if any) of the Bank which are available, in accordance with applicable law and regulation for the time being, for the payment of such interest payment and any other payments by the Bank which, under Applicable Banking Regulations, are required to be made only out of such profits and reserves;

"**DNB Group**" means the Bank together with its consolidated subsidiaries;

"**Excluded Winding-up**" means a solvent liquidation, dissolution or winding-up of the Bank solely for the purposes of a reorganisation, reconstruction or amalgamation of the Bank, the terms of which reorganisation, reconstruction or amalgamation, as the case may be, have previously been approved by an Extraordinary Resolution of the Holders and do not provide that the Notes thereby become redeemable or repayable;

"**Financial Institutions Act**" means the Norwegian Act on Financial Institutions and Financial Groups of 10 April 2015 No. 17 (*Lov om finansforetak og finanskonsern av 10. april 2015 No. 17*), as amended or superseded from time to time;

"**Financial Institutions Regulation**" means the Regulation on Financial Institutions and Financial Groups of 9 December 2016 No. 1502, as amended or superseded from time to time;

"**First Call Date**" means 14 September 2028;

"**Fixed Interest Payment Date**" has the meaning given to such term in Condition 5.2 (*Interest Payment Dates and Interest Periods*);

"**Fixed Rate of Interest**" means 7.686 per cent. per annum;

"**Fixed Rate Period**" has the meaning given to such term in Condition 5.1 (*Interest Rate*);

"**Floating Interest Payment Date**" has the meaning given to such term in Condition 5.2 (*Interest Payment Dates and Interest Periods*);

"**Floating Interest Period**" has the meaning given to such term in Condition 5.2 (*Interest Payment Dates and Interest Periods*);

"**Floating Rate of Interest**" means in respect of any Floating Interest Period, the Reference Rate relating to such Floating Interest Period plus 3.500 per cent., as determined by the Bank in accordance with Condition 5 (*Interest*) (provided that if any Floating Rate of Interest so determined would be lower than zero, the Floating Rate of Interest for the relevant Floating Interest Period shall be zero);

"**Full Loss Absorbing Instruments**" has the meaning given to such term in Condition 7.5 (*Full Loss Absorbing Instruments*);

"**Holders**" means the holders of the Notes and references herein to a "**holder**" in respect of any Note shall be construed in accordance with Condition 3.2 *(Title)*;

"**Interest Payment Date**" has the meaning given to such term in Condition 5.2 (*Interest Payment Dates and Interest Periods*);

"**Interest Period**" has the meaning given to such term in Condition 5.2 (*Interest Payment Dates and Interest Periods*);

"**Issue Date**" means 14 September 2023;

"**Legacy Subordinated Obligations**" has the meaning given in Condition 4.7 (*Definitions*);

"**Liabilities**" means the unconsolidated gross liabilities of the Bank as shown in its latest published audited balance sheet, but adjusted for contingent liabilities and for subsequent events in such manner as the Directors of the Bank may determine;

"**Loss Absorbing Instrument**" means, at any time, any Additional Tier 1 Capital instrument (other than the Notes) issued directly or indirectly by the Bank or any other member of the DNB Group which has terms pursuant to which all or some of its principal amount may be written-down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of a trigger set by reference to the relevant CET1 Ratio(s) falling below a specific threshold;

"**Maximum Distributable Amount**" means, at any relevant time, any MDA (as defined in Condition

6.2(i)) and/or M-MDA (as defined in Condition 6.2(ii)) as may then be applicable to the Bank and/or the DNB Group (provided that if, at any time, the Applicable Banking Regulations provide for leverage ratio related maximum distributable amount ("**L-MDA**") restrictions to be imposed on the Bank and/or the DNB Group, the term 'Maximum Distributable Amount' shall also be deemed to include, at any relevant time, any L-MDA then applicable to the Bank and/or the DNB Group);

"**Maximum Write-up Amount**" means:

(i) (a) the Relevant Profits, multiplied by

(b) the sum of the aggregate Original Principal Amount of the Notes and the aggregate original principal amount of all Written-Down Additional Tier 1 Instruments issued directly or indirectly by the Bank (if the Relevant Profits under (i)(a) are those of the Bank) or the DNB Group (if the Relevant Profits under (i)(a) are those of the DNB Group), divided by

(c) the total Tier 1 Capital Amount of the Bank (if the Relevant Profits under (i)(a) are those of the Bank) or the DNB Group (if the Relevant Profits under (i)(a) are those of the DNB Group) as at the date of the relevant Discretionary Reinstatement; or

(ii) such higher amount as may be permissible pursuant to the Applicable Banking Regulations then in force;

"**Net Profit**" means, at any time, with respect to the Bank or the DNB Group, the non-consolidated or consolidated net profit (excluding minority interests), respectively, of the Bank or the DNB Group determined on the basis of the Bank's audited non-consolidated or consolidated (as the case may be) annual accounts for the then most recent financial year;

"**NOK**" means Norwegian kroner, being the lawful currency of Norway;

"**Non-Preferred Senior Obligations**" means obligations of the Bank which form part of the class of obligations meeting the conditions set out in the Financial Institutions Act §20-9 and the Financial Institutions Regulation §20-7 and thus having, in a winding-up of the Bank, a lower priority ranking than ordinary unsecured obligations of the Bank, and any other obligations which rank or are expressed by their terms to rank *pari passu* with obligations of such class;

"**Norwegian FSA**" means the Financial Supervisory Authority of Norway (*Finanstilsynet*) or such other agency of the Kingdom of Norway which assumes or performs the functions which, as at the Issue Date, are performed by such authority or such other or successor authority exercising primary supervisory authority with respect to prudential and/or resolution matters in relation to the Bank and/or the DNB Group;

"**Original Principal Amount**" means, in respect of a Note, its principal amount on the Issue Date not taking into account any Write Down or any other write-down, conversion or cancellation or any subsequent Discretionary Reinstatement;

"**Outstanding Principal Amount**" means, in relation to each Note, the Original Principal Amount of such Note, as reduced from time to time by any Write Down(s) or any other write-down, conversion or cancellation, as the case may be, and, if applicable, as subsequently increased from time to time by any Discretionary Reinstatement in accordance with these Conditions;

"**Priority of Claims**" has the meaning given to such term in Condition 4.3 (*Priority of Claims*);

"**Proceedings**" has the meaning given to such term in Condition 19.2 (*Governing Law and Submission to Jurisdiction*);

"**Qualifying Additional Tier 1 Obligations**" has the meaning given in Condition 4.7 (*Definitions*);

"**Qualifying Tier 2 Obligations**" has the meaning given in Condition 4.7 (*Definitions*);

"**Rate of Interest**" means the Fixed Rate of Interest or the Floating Rate of Interest, as the case may be;

"**Redemption Amount**" means, in the case of any redemption of the Notes on any redemption date, the Outstanding Principal Amount of the Notes on such redemption date together with interest accrued (if any) from (and including) the Interest Payment Date immediately preceding such redemption date (or, if none, the Issue Date) to (but excluding) such redemption date (except for interest which is cancelled in accordance with these Conditions);

"**Reference Banks**" means four major banks engaged in the Norwegian interbank market selected by the Bank;

"**Reference Date**" means the accounting date as at which the applicable Relevant Profits were determined;

"**Reference Rate**" means, in relation to a Floating Interest Period and the Reference Rate Determination Date in relation to such Floating Interest Period, the Screen Rate at approximately 12.00 noon (Central European Time) on that Reference Rate Determination Date (or, in the event that the publication of such rate is postponed to later during that date, or if the rate determined at approximately 12.00 noon (Central European Time) is subsequently re-determined or re-fixed during that date in accordance with the applicable calculation methodology, at such later time on that Reference Rate Determination Date at which such rate (as so re-determined or re-fixed, if applicable) is published) (specified to two decimal places and rounded, if necessary, in accordance with prevailing market practice); provided that if, other than pursuant to a Benchmark Event, the Screen Rate is unavailable, has been removed or changed such that the quoted interest rate no longer represents, in the opinion on the Bank, a correct expression of the relevant interest rate, then:

(i) an alternative page or other electronic source which in the opinion of the Bank gives the same interest rate shall be used; or

(ii) if (i) above is not possible, the Bank will, subject to the provisions of Condition 5.8, request the principal Norwegian office of each of the Reference Banks to provide the Bank with the rate at which deposits in NOK are offered by it to prime banks in the Norwegian interbank market for three months at approximately 12.00 noon (Central European Time) on the Reference Rate Determination Date in question and for a Representative Amount and:

 (A) if at least three rates are provided, the Reference Rate will be the arithmetic mean of the rates provided, eliminating the highest rate (or, in the event of equality, one of the highest) and the lowest rate (or, in the event of equality, one of the lowest); or

 (B) if two rates are provided, the Reference Rate will be the arithmetic mean of the rates provided; or

 (C) if fewer than two rates are provided, the Reference Rate will be the arithmetic mean of the rates quoted by major banks in Oslo, selected by the Bank at approximately 12.00 noon (Central European Time) on the first day of such Interest Period for loans in NOK to leading European banks for a period of three months commencing on the first day of such Interest Period and for a Representative Amount; or

 (D) if the Reference Rate cannot be determined in accordance with the above provisions, the Reference Rate for such Interest Period shall be such rate as is determined by the Bank in its sole discretion to be (a) a reference rate generally accepted in the market as being a replacement for or successor to the Reference Rate, or, failing which (b) such rate as the Bank considers most closely reflects the interest rate for deposits in NOK offered for the relevant Interest Period;

"**Reference Rate Determination Date**" means, in relation to a Floating Interest Period, the day falling two Business Days prior to the date on which such Floating Interest Period commences;

"**Relevant Date**" has the meaning given to such term in Condition 11.2 (*Relevant Date*);

"**Relevant Nominating Body**" has the meaning given to such term in Condition 5.8(j) (*Benchmark Discontinuation - Definitions*);

"**Relevant Profits**" means the relevant Net Profit of the Bank or the DNB Group, whichever is lower;

"**Representative Amount**" means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time;

"**Reset Date**" means 14 March 2029;

"**Risk Exposure Amount**" means, at any date, with respect to the Bank or the DNB Group, the risk exposure amount, expressed in the Accounting Currency, of the Bank or the DNB Group, respectively, as at such date, as calculated by the Bank (or by the Norwegian FSA or any agent appointed by the Norwegian FSA for the purpose of making such calculation) in accordance with the Applicable Banking Regulations. For the purposes of this definition, the term "**risk exposure amount**" means the total risk exposure amount, as calculated by the Bank (or the Norwegian FSA or its appointed agent as aforesaid) in accordance with Applicable Banking Regulations and on the basis that all measures used in such calculation shall, for the purposes of this definition, be calculated on an end-point basis unless, and to the extent that, the Norwegian FSA requires or permits the Bank or the DNB Group (as applicable), for such purposes, to calculate such measures having regard to any applicable transitional provisions under the Applicable Banking Regulations;

"**Screen Rate**" means the 3-month interest rate in NOK published by Global Rate Set Systems (GRSS) (or such replacement page on that service or any successor or alternative service which displays the information);

"**Senior Creditors**" means, at any time, (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank, including any creditors in respect of Non-Preferred Senior Obligations and (c) subordinated creditors of the Bank in respect of any obligation the claims in respect of which would, if the Bank were to be subject to a liquidation, dissolution or other winding-up at such time, rank in priority to the claims in respect of the Notes;

"**Solvency Condition**" has the meaning given to such term in Condition 4.5 (*Solvency Condition*);

"**Specified Office**" means the address of the Account Manager and the Paying Agent, for the time being: DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway;

"**Subsidiary**" has the meaning ascribed to it in Sections 1-3 of the Norwegian Public Limited Liability Companies Act 1997;

"**Successor Rate**" has the meaning given to such term in Condition 5.8(j) (*Benchmark Discontinuation - Definitions*);

a "**Tax Event**" will occur if the Bank has received an opinion of counsel in the Kingdom of Norway (experienced in such matters) to the effect that, as a result of a Change in Law:

(A) the Bank is, or will be, subject to additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes; or

(B) the Bank is not, or will not be, entitled to claim a deduction in respect of any payments of interest in respect of the Notes in computing its taxation liabilities (or such deduction would be materially reduced); or

(C) the treatment of any of the Bank's items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Bank will not be respected by a taxing authority, which subjects the Bank to additional taxes, duties or other governmental charges;

"**Tier 1 Capital**" has the meaning given in the Applicable Banking Regulations;

"**Tier 1 Capital Amount**" means, at any time, with respect to the Bank or the DNB Group, its Tier 1 Capital as calculated by the Bank (or by the Norwegian FSA or any agent appointed by the Norwegian FSA for the purpose of making such calculation) in accordance with the Applicable Banking Regulations, subject always to applicable transitional and grandfathering arrangements as interpreted by the Norwegian FSA;

"**Tier 2 Capital**" has the meaning given in the Applicable Banking Regulations;

"**Trigger Event**" has the meaning given to such term in Condition 7.1 (*Loss Absorption Following a Trigger Event*);

"**VPS**" means the Norwegian Central Securities Depository, the *Verdipapirsentralen*;

a "**Withholding Tax Event**" will occur if the Bank has received an opinion of counsel in the Kingdom of Norway (experienced in such matters) to the effect that, as a result of a Change in Law, the Bank is or will be required to pay additional amounts as provided in Condition 11 (*Taxation*);

"**Write Down**" and "**Written Down**" have the meanings given to such terms in Condition 7.1 (*Loss Absorption Following a Trigger Event*);

"**Write Down Amount**" has the meaning given to such term in Condition 7.4 (*Write Down Amount*);

"**Write Down Date**" has the meaning given to such term in Condition 7.2 (*Write Down Notice*);

"**Write Down Notice**" has the meaning given to such term in Condition 7.2 (*Write Down Notice*); and

"**Written-Down Additional Tier 1 Instruments**" means, at any time, any instrument (other than the Notes) issued directly or indirectly by the Bank or, as applicable, any member of the DNB Group, which is qualifying as Additional Tier 1 Capital of the Bank or the DNB Group and which, immediately prior to the relevant Discretionary Reinstatement, has a prevailing principal amount lower than the principal amount that it was originally issued with due to such principal amount having been written down on a temporary basis pursuant to its terms.

2.2 *Interpretation*: In these Conditions:

(i) any reference to principal shall be deemed to include the Outstanding Principal Amount and any other amount in the nature of principal payable pursuant to these Conditions;

(ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions; and

(iii) references to any law or regulation, or any section or provision thereof, shall (unless the context otherwise requires) be deemed to be a reference to such law or regulation or (as the case may be) such section or provision as the same may be amended or superseded from time to time and as it applies to the Bank and/or the DNB Group (as applicable).

## 3. Form, Denomination and Title

3.1 *Form of Notes and denomination*: The Notes are in uncertificated, dematerialised book-entry form, in the denomination of NOK 2,000,000 each.

The Outstanding Principal Amount of the Notes may be adjusted as provided in Condition 7 (*Loss*

*Absorption Following a Trigger Event*) and Condition 8 (*Discretionary Reinstatement of the Notes*) or as otherwise required by then current legislation and/or regulations applicable to the Bank.

3.2 *Title*: The holder of a Note will be the person evidenced as such by a book entry in the records of the VPS. Title to the Notes will pass by registration in the registers between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS. Where a nominee is so evidenced, it shall be treated by the Bank as the holder of the relevant Note.

For so long as the Notes are held in VPS, each person who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by VPS as to the nominal amount of such Notes standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by VPS in accordance with its usual procedures and in which the holder of a particular nominal amount of such Notes is clearly identified together with the amount of such holding) shall be treated by the Bank, the Account Manager and the Paying Agent as the holder of such nominal amount of such Notes for all purposes.

The Notes will be transferable only in accordance with the rules and procedures for the time being of the VPS.

References to the VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative registration or clearing system approved by the Bank and the Account Manager in which the Notes are, for the time being, registered or cleared.

## 4. Status and Ranking

4.1 *Status:* The Notes constitute undated, unsecured and subordinated obligations (*Fondsobligasjoner*) of the Bank, and will at all times rank *pari passu* without any preference among themselves. The Notes are subordinated as described below in this Condition 4 (*Status and Ranking*). The Notes do not have the benefit of a guarantee from any person.

4.2 *Ranking*

(i) *Ranking as Qualifying Additional Tier 1 Obligations*: It is the intention of the Bank that the Notes will, upon issue, qualify as Additional Tier 1 Capital of the Bank and the DNB Group. For so long as the Notes or any part thereof qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Additional Tier 1 Capital of the Bank and/or the DNB Group, they will constitute Qualifying Additional Tier 1 Obligations and shall rank accordingly in the Priority of Claims set out in Condition 4.3 (*Priority of Claims*) below.

(ii) *Ranking upon Disqualification from Additional Tier 1 Obligations*: If, at any time, the Bank or the Norwegian FSA determines that the Notes have ceased to be, or are not, Qualifying Additional Tier 1 Obligations, they shall upon such determination immediately and automatically (without any need for any further action on the part of the Bank or the consent or approval of any Holder) become either Disqualified Additional Tier 1 Obligations or (if the whole or any part of the Notes then qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Tier 2 Capital of the Bank and/or the DNB Group) Qualifying Tier 2 Obligations, and shall, with effect from that time, rank accordingly in the Priority of Claims set out in Condition 4.3 (*Priority of Claims*) below. The Bank shall promptly give notice to Holders in accordance with Condition 16 (*Notices*) if the Notes become Disqualified Additional Tier 1 Obligations or Qualifying Tier 2 Obligations, but any delay or failure in giving such notice shall not affect the change in status and ranking of the Notes from Qualifying Additional Tier 1 Obligations to Disqualified Additional Tier 1 Obligations or, as the case may be, Qualifying Tier 2 Obligations.

In such circumstances (and unless the Notes have re-qualified as Qualifying Additional Tier 1 Obligations as provided in Condition 4.2(iii) below), the status of the Notes may, in addition, from time to time change from Qualifying Tier 2 Obligations to Disqualified Additional Tier 1 Obligations, or *vice versa*, and rank accordingly in the Priority of Claims set out in Condition 4.3 (*Priority of Claims*), without any further action on the part of the Bank or the consent or approval of any Holder, if the Notes subsequently lose or gain (as applicable) the ability to qualify, in whole or in part, as Tier 2 Capital of the Bank and/or the DNB Group. The Bank shall promptly give notice to Holders in accordance with Condition 16 (*Notices*) if any such change in status shall occur, but any delay or failure in giving such notice shall not affect the change in status and ranking of the Notes.

(iii) *Ranking upon Re-qualification as Additional Tier 1 Obligations*: If, at any time after the Notes have become Disqualified Additional Tier 1 Obligations or Qualifying Tier 2 Obligations, the Bank or the Norwegian FSA determines that they re-qualify as Qualifying Additional Tier 1 Obligations, then they shall upon such determination immediately and automatically (without any need for any further action on the part of the Bank or the consent or approval of any Holder) constitute Qualifying Additional Tier 1 Obligations and shall, with effect from that time, rank accordingly in the Priority of Claims set out in Condition 4.3 (*Priority of Claims*) below. The Bank shall promptly give notice to Holders in accordance with Condition 16 (*Notices*) if the Notes re-qualify as Qualifying Additional Tier 1 Obligations, but any delay or failure in giving such notice shall not affect the change in status and ranking of the Notes from Disqualified Additional Tier 1 Obligations or Qualifying Tier 2 Obligations, as the case may be, to Qualifying Additional Tier 1 Obligations.

4.3 *Priority of Claims:* In the event of a liquidation, dissolution or winding-up of the Bank by way of public administration (except, in any such case, an Excluded Winding-up), claims of the holders of the Notes (including claims for any amounts attributable to the Notes and any damages awarded for breach of any obligations thereunder) will rank *pari passu* without any preference among themselves and, subject to applicable law (and subject as provided in Condition 4.4 (*Legacy Subordinated Obligations*) below with respect to Legacy Subordinated Obligations), as either Qualifying Additional Tier 1 Obligations, Qualifying Tier 2 Obligations or Disqualified Additional Tier 1 Obligations (as applicable) in accordance with the following priority of claims (the "**Priority of Claims**"):

(i) *Disqualified Tier 2 Obligations*: claims in respect of Disqualified Tier 2 Obligations shall rank: (A) *pari passu* with claims in respect of any other Disqualified Tier 2 Obligations; (B) junior to claims in respect of Non-Preferred Senior Obligations; and (C) in priority to claims in respect of Disqualified Additional Tier 1 Obligations;

(ii) *Disqualified Additional Tier 1 Obligations*: claims in respect of Disqualified Additional Tier 1 Obligations shall rank: (A) *pari passu* with claims in respect of any other Disqualified Additional Tier 1 Obligations; (B) junior to claims in respect of Disqualified Tier 2 Obligations; and (C) in priority to claims in respect of Qualifying Tier 2 Obligations;

(iii) *Qualifying Tier 2 Obligations*: claims in respect of Qualifying Tier 2 Obligations shall rank: (A) *pari passu* with claims in respect of any other Qualifying Tier 2 Obligations; (B) junior to claims in respect of Disqualified Additional Tier 1 Obligations; and (C) in priority to claims in respect of Qualifying Additional Tier 1 Obligations;

(iv) *Qualifying Additional Tier 1 Obligations*: claims in respect of Qualifying Additional Tier 1 Obligations shall rank: (A) *pari passu* with claims in respect of any other Qualifying Additional Tier 1 Obligations; (B) junior to claims in respect of Qualifying Tier 2 Obligations; and (C) in priority to claims in respect of (1) all classes of share capital of the Bank and (2) any other obligations of the Bank which by their terms or operation of law rank junior to claims in respect of Qualifying Additional Tier 1 Obligations.

Nothing in this Condition shall prevent the Bank from having outstanding or creating obligations from time to time which, by their terms or operation of law, rank above or below (including in-between) any of the respective rankings of any of the obligations referenced in the above Priority of Claims.

4.4 *Legacy Subordinated Obligations:* If, in the event of a liquidation, dissolution or winding-up of the Bank by way of public administration (except, in any such case, an Excluded Winding-up), there are outstanding any Legacy Subordinated Obligations the ranking of which, in the good faith determination of the Bank, the Norwegian FSA or the relevant insolvency official of the Bank (which determination shall, in the absence of manifest error, be binding on the Bank and the holders of the Notes), cannot be reconciled with the Priority of Claims specified above, then, subject to applicable law:

(i) the ranking of the Notes and all other subordinated obligations of the Bank other than Legacy Subordinated Obligations shall be determined in accordance with the above Priority of Claims as if such Legacy Subordinated Obligations were not outstanding; and

(ii) the ranking of the Legacy Subordinated Obligations shall be determined on the basis of the terms thereof and on the assumption (whether or not this is the case) that the Notes are Qualifying Additional Tier 1 Obligations at such time.

4.5 *Solvency Condition*: No payment of principal, interest or any other amount in respect of the Notes shall become due and payable unless, and to the extent that, the Bank is able to make such payment and still be solvent immediately thereafter, in each case except in the winding-up, dissolution or liquidation of the Bank (the "**Solvency Condition**").

In these Conditions, the Bank shall be considered to be "**solvent**" if (x) it is able to pay its debts to Senior Creditors as they fall due and (y) its Assets exceed its Liabilities. A report as to the solvency of the Bank by two appropriately authorised signatories or, if the Bank is in a winding-up, dissolution or liquidation, its liquidator or other insolvency official (as the case may be), shall, in the absence of manifest error, be treated and accepted by the Bank and the Holders as correct and sufficient evidence thereof.

4.6 *No set-off:* Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, netting, compensation or retention (collectively, "**set-off**") in respect of any amount owed to it by the Bank in respect of, or arising under or in connection with, the Notes and each Holder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Bank in respect of, or arising under or in connection with, the Notes is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Bank (or, in the event of its winding-up, dissolution or liquidation, the liquidator or other relevant insolvency official with primary responsibility for the winding-up, dissolution or liquidation of the Bank) and, until such time as payment is made, shall hold an amount equal to such amount for the Bank (or the liquidator or such relevant insolvency official (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

4.7 *Definitions*

As used in these Conditions:

"**Disqualified Additional Tier 1 Obligations**" means, at any time (for the purposes of this definition, the "**relevant time**"), any obligation of the Bank (including any guarantee, indemnity or other contractual support arrangement given by the Bank in respect of any obligation of any Subsidiary of the Bank) where: (a) the whole or any part of such obligation upon issue qualified (or would but for any applicable limitation on the amount of such capital have qualified), or was intended by the Bank to qualify, as Additional Tier 1 Capital of the Bank and/or the DNB Group; and (b) no part of such obligation qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Additional Tier 1 Capital or Tier 2 Capital of the Bank and/or the DNB Group at the relevant time;

"**Disqualified Tier 2 Obligations**" means, at any time (for the purposes of this definition, the "**relevant time**"), any obligation of the Bank (including any guarantee, indemnity or other contractual support arrangement given by the Bank in respect of any obligation of any Subsidiary of the Bank) where: (a) the whole or any part of such obligation upon issue qualified (or would but for any applicable limitation on the amount of such capital have qualified), or was intended by the Bank to qualify, as Tier 2 Capital of the Bank and/or the DNB Group; and (b) no part of such obligation qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Tier 2 Capital of the Bank and/or the DNB Group at the relevant time;

"**Legacy Subordinated Obligations**" means any subordinated obligations of the Bank which qualify, or have qualified, in whole or in part, as Additional Tier 1 Capital or Tier 2 Capital and which were issued prior to 12 May 2021;

"**Qualifying Additional Tier 1 Obligations**" means, at any time (for the purposes of this definition, the "**relevant time**"), any obligation of the Bank (including any guarantee, indemnity or other contractual support arrangement given by the Bank in respect of any obligation of any Subsidiary of the Bank) where: (a) the whole or any part of such obligation qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Additional Tier 1 Capital of the Bank and/or the DNB Group at the relevant time; and (b) no part of such obligation qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Common Equity Tier 1 Capital of the Bank and/or the DNB Group at the relevant time; and

"**Qualifying Tier 2 Obligations**" means, at any time (for the purposes of this definition, the "**relevant time**"), any obligation of the Bank (including any guarantee, indemnity or other contractual support arrangement given by the Bank in respect of any obligation of any Subsidiary of the Bank) where: (a) the whole or any part of such obligation qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Tier 2 Capital of the Bank and/or the DNB Group at the relevant time; and (b) no part of such obligation qualifies (or would but for any applicable limitation on the amount of such capital qualify) as Tier 1 Capital of the Bank and/or the DNB Group at the relevant time.

## 5. Interest

5.1 *Interest Rate*: The Notes bear interest from (and including) the Issue Date on their Outstanding Principal Amount from time to time:

(i) from (and including) the Issue Date to (but excluding) the Reset Date (the "**Fixed Rate Period**") at a rate equal to the Fixed Rate of Interest; and

(ii) thereafter, at the applicable Floating Rate of Interest.

5.2 *Interest Payment Dates and Interest Periods*: Subject to Condition 4.5 (*Solvency Condition*), Condition 6 (*Interest Cancellation*) and Condition 7.1 (*Loss Absorption Following a Trigger Event*), interest will be payable:

(i) in respect of interest accrued during the Fixed Rate Period, annually in arrear on 14 September in each year, commencing on 14 September 2024 up to (and including) 14 September 2028, with a short final coupon payable (subject as aforesaid) on the Reset Date (each a "**Fixed Interest Payment Date**") (the interest payable (subject as aforesaid) on the Reset Date being in respect of the period from (and including) 14 September 2028 to (but excluding) the Reset Date); and

(ii) thereafter, quarterly in arrear on 14 March, 14 June, 14 September and 14 December in each year, commencing 14 June 2029 (each a "**Floating Interest Payment Date**" and, together with the Fixed Interest Payment Dates, each an "**Interest Payment Date**"), provided that if any such Floating Interest Payment Date falls on a day which is not a Business Day, such Floating Interest Payment Date shall be postponed to the next day which is a Business Day unless that day falls in the next calendar month, in which case such Floating Interest Payment Date shall be brought forward to the immediately preceding day which is a Business Day.

The period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date, is called an "**Interest Period**" (and each Interest Period commencing on or after the Reset Date will be a "**Floating Interest Period**").

5.3 *Accrual of interest*: Each Note will cease to bear interest from the due date for redemption unless payment of the Outstanding Principal Amount in respect thereof is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition until whichever is the earlier of:

(i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder; and

(ii) the day which is seven calendar days after the Account Manager has notified the Holders in accordance with Condition 16 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh calendar day (except to the extent that there is any subsequent default in payment).

5.4 *Determination of Reference Rate and Rate of Interest in relation to a Floating Interest Period*: The Bank will, as soon as practicable after 12.00 noon (Central European Time) on each Reference Rate Determination Date in relation to a Floating Interest Period, determine the Reference Rate and Floating Rate of Interest for such Floating Interest Period.

5.5 *Publication of Reference Rate and Floating Rate of Interest*: With respect to each Floating Interest Period, the Bank will cause the relevant Reference Rate and Floating Rate of Interest determined by it to be notified to the Paying Agent and each listing authority, stock exchange and/or quotation system (if any) on which the Notes are for the time being admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the second Business Day thereafter. Notice thereof shall also promptly be given to the Holders in accordance with Condition 16 (*Notices*).

5.6 *Calculation of amount of interest*: The amount of interest payable in respect of a Note for any period shall be calculated by:

(i) applying the applicable Rate of Interest to the Outstanding Principal Amount of a Note;

(ii) multiplying the sum by the applicable Day Count Fraction as specified below; and

(iii) rounding the resulting figure to the nearest øre (half an øre being rounded upwards).

The applicable "**Day Count Fraction**" shall be:

(A) for the purposes of calculating any interest amount accrued during the Fixed Rate Period, (a) the actual number of days in the period from (and including) the date from which interest begins to accrue (the "**Accrual Date**") to (but excluding) the relevant due date for payment (the "**Accrual Period**") (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by (b) 360; and

(B) for the purposes of calculating any interest amount accrued after the Fixed Rate Period, the actual number of calendar days in the relevant accrual period concerned divided by 360.

If, pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*) or Condition 8 (*Discretionary Reinstatement of the Notes*) or as otherwise required by then current legislation and/or regulations applicable to the Bank, the Outstanding Principal Amount of the Notes is reduced and/or reinstated during an Interest Period, the amount of interest will be adjusted by the Bank to reflect interest having accrued on the relevant Outstanding Principal Amount during each part of such Interest Period.

5.7 *Notifications etc*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Bank will (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the Account Manager, the Paying Agent and the Holders and (subject as aforesaid) no liability to any such person will attach to the Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

5.8 *Benchmark Discontinuation*: If a Benchmark Event occurs in relation to the Screen Rate at any time when the Conditions provide for any remaining rate of interest (or any component part thereof) to be determined by reference to the Screen Rate, then the following provisions shall apply.

(a) *Determination by the Bank*

The Bank shall use reasonable endeavours to determine, prior to the time that a Floating Rate of Interest would otherwise be required to be determined by reference to such Screen Rate, a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.8(b)) and, in either case, will determine an Adjustment Spread (in accordance with Condition 5.8(c)) and any Benchmark Amendments (in accordance with Condition 5.8(d)).

(b) *Successor Rate or Alternative Rate*

If the Bank determines in good faith that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.8(c)) subsequently be used in place of the Screen Rate to determine the Floating Rate of Interest for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.8); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.8(c)) subsequently be used in place of the Screen Rate to determine the relevant Floating Rate of Interest for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.8).

(c) *Adjustment Spread*

If the Bank determines a Successor Rate or an Alternative Rate in accordance with the foregoing, it will also determine an Adjustment Spread to be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Floating Rate of Interest by reference to such Successor Rate or Alternative Rate (as applicable).

(d) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5.8 and the Bank determines in good faith (A) that amendments to the Conditions (including, without limitation, amendments to the calculation of interest pursuant to Condition 5.6 or the definitions of Business Days, Reference Rate Determination Date or Screen Rate) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Bank shall, subject to giving notice thereof in accordance with Condition 5.8(e), without any requirement for the consent or approval of Holders, vary the Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5.8, the Bank shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) *Notices, etc.*

The Bank shall notify the Account Manager, the Paying Agent and, in accordance with Condition 16 (*Notices*), the Holders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.8. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Account Manager of the same, the Bank shall deliver to the Account Manager a certificate signed by two authorised signatories:

(i) confirming (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate and, in either case, the applicable Adjustment Spread and (z) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.8; and

(ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Account Manager shall hold the certificate at its registered office for inspection by Holders and shall be entitled to rely on such certificate (without inquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and, in either case, the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Account Manager's ability to rely on such certificate as aforesaid) be binding on the Bank, the Account Manager, the Paying Agent and the Holders.

(f) *Survival of Screen Rate*

Without prejudice to the Bank's obligations under the provisions of this Condition 5.8, the Screen Rate and the fallback provisions provided for in the definition of "Reference Rate", will continue to apply unless and until the Account Manager has been notified of the Successor Rate or the Alternative Rate (as the case may be) and, in either case, the applicable Adjustment Spread and any applicable Benchmark Amendments.

(g) *Regulatory Capital*

Notwithstanding any other provision of this Condition 5.8, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any Benchmark Amendments be effected, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the qualification of the Notes or any part thereof as Additional Tier 1 Capital.

(h) *Fallbacks*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Floating Rate of Interest on the immediately following Reference Rate Determination Date, no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the Screen Rate will continue to apply for the purposes of determining such Floating Rate of Interest on such Reference Rate Determination Date, with the effect that the fallback provisions provided elsewhere in these Conditions will continue to apply to such determination.

In such circumstances, the Bank will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5.8, *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread and any Benchmark Amendments have been determined and notified in accordance with this Condition 5.8

(and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Conditions will continue to apply).

(i) *No liability*

In the absence of bad faith or fraud, the Bank shall have no liability whatsoever to the Holders or any other person for any determination made by it in good faith pursuant to this Condition 5.8, and the Holders, by acceptance of any Note, waive any and all rights which they may otherwise have against the Bank in respect thereof to the fullest extent permitted by law.

(j) *Definitions*

In this Condition 5.8:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) the formula or methodology for calculating a spread, in either case which is to be applied to the Successor Rate or the Alternative Rate (as the case may be), being the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Screen Rate with the Successor Rate by any Relevant Nominating Body;

(ii) in the case of an Alternative Rate (or in the case of a Successor Rate where (A) above does not apply), is in customary market usage (or reflects an industry-accepted rate, formula or methodology) in the international debt capital market for transactions which reference the Screen Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or

(iii) if no such recommendation or option has been made (or made available) under (i) above and the Bank determines there is no such spread, formula or methodology in customary market usage or which is industry-accepted under (ii) above, the Bank, in its discretion, acting in good faith, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Holders;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Bank determines in accordance with this Condition 5.8 has replaced the Screen Rate in customary market usage, or is an industry-accepted rate, in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same currency (NOK) as the Notes;

"**Benchmark Event**" means, with respect to the Screen Rate:

(A) the Screen Rate ceasing to exist or be published on a permanent or indefinite basis;

(B) the making of a public statement by the administrator of the Screen Rate (being, as at the Issue Date, *Norske Finansielle Referanser*) that it has ceased or will cease to publish the Screen Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Screen Rate);

(C) the making of a public statement by the supervisor of the administrator of the Screen Rate (being, as at the Issue Date, the Norwegian FSA) that the Screen Rate has been or will be permanently or indefinitely discontinued;

(D) the making of a public statement by the supervisor of the administrator of the Screen Rate (being, as at the Issue Date, the Norwegian FSA) as a consequence of which the Screen Rate will be prohibited from being used, is no longer (or will no longer be) representative of its underlying market or that its use will be subject to restrictions or adverse consequences, in each case in circumstances where the same shall be applicable to the Notes; or

(E) it has or will prior to the next Reference Rate Determination Date become unlawful for the Bank to calculate any payments due to be made to any Holder using the Screen Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable),

provided that in the case of paragraphs (B) to (D) above, the Benchmark Event shall occur on:

(i) in the case of (B) above, the date of the cessation of the publication of the Screen Rate;

(ii) in the case of (C) above, the discontinuation of the Screen Rate; or

(iii) in the case of (D) above, the date on which the Screen Rate is prohibited from use, is deemed no longer to be representative or becomes subject to restrictions or adverse consequences (as applicable),

and not (in any such case) the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date in (i), (ii) or (iii) above, as applicable).

"**Relevant Nominating Body**" means, in respect of the Screen Rate:

(i) the Norwegian FSA, the Norwegian Central Bank (*Norges Bank*), or any central bank or other supervisory authority which is responsible for supervising the administrator of NIBOR or the Screen Rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the Norwegian FSA or the Norwegian Central Bank (*Norges Bank*), (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of NIBOR or the Screen Rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Screen Rate which is formally recommended by any Relevant Nominating Body.

## 6. Interest Cancellation

6.1 *Optional Interest Cancellation*: The Bank may elect at any time, in its sole and absolute discretion, to cancel (in whole or in part) any payment of interest otherwise scheduled to be paid on an Interest Payment Date or any other date.

*The Norwegian FSA may also direct the Bank to exercise its discretion to cancel interest (in whole or in part) scheduled to be paid on an Interest Payment Date or any other date.*

6.2 *Maximum Distributable Amount:* To the extent required under the then-prevailing Applicable Banking Regulations:

(i) in circumstances where the Norwegian Financial Institutions Act §14-3(5) applies, no payments (or deemed payments) will be made on the Notes (whether by way of principal, interest, any additional amounts payable under Condition 11 (*Taxation*), Discretionary Reinstatement or otherwise), and any such payment will be cancelled, if and to the extent that such payment would, when aggregated together with other distributions of the kind referred to in the Norwegian Financial Institutions Act §14-3(5), cause the maximum distributable amount (if any) determined in accordance with the Calculation Regulations §10 (the "**MDA**") then applicable to the Bank and/or the DNB Group to be exceeded; and

(ii) in circumstances where the Norwegian Financial Institutions Act §20-9a applies, no payments (or deemed payments) will be made on the Notes (whether by way of principal, interest, any additional amounts payable under Condition 11 (*Taxation*), Discretionary Reinstatement or otherwise), and any such payment will be cancelled, if and to the extent that (1) the Norwegian FSA has, at such time, imposed a maximum distributable amount determined in accordance with the Norwegian Financial Institutions Regulation § 20-7d (an "**M-MDA**") on the Bank and/or the DNB Group and (2) such payment would, when aggregated together with other distributions of the kind referred to in the Norwegian Financial Institutions Act §20-9a(2), cause such M-MDA to be exceeded.

*If L-MDA restrictions are at any time applicable to the Bank or the DNB Group, payments on the Notes may also be cancelled (in whole or in part) by the Bank if required to comply with any such applicable L-MDA restrictions. The Bank expects that it would also use its option to cancel interest in any other circumstances in which it is required to do so under applicable law or regulation. See also "Risk Factors – Payments on the Notes will be subject to Maximum Distributable Amount restrictions" for further information.*

6.3 *Insufficient Distributable Items*: Payments of interest in respect of the Notes in any financial year (and, if applicable, any additional amounts payable in respect thereof pursuant to Condition 11 (*Taxation*)) shall only be made out of Distributable Items of the Bank (unless otherwise permitted by the then-prevailing Applicable Banking Regulations). The Bank will, to the extent required under the then-prevailing Applicable Banking Regulations, cancel any interest otherwise scheduled to be paid on any date if and to the extent that the amount of such interest (together with any additional amounts payable in respect thereof pursuant to Condition 11 (*Taxation*)), when aggregated together with any interest payments or distributions which have been made or which are required to be paid or made during the then current financial year on all other own funds items of the Bank (excluding any such interest payments or distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items), exceeds the amount of Distributable Items of the Bank as at such date.

6.4 *Solvency Condition*: Payments of interest will also be cancelled if and to the extent required pursuant to Condition 4.5 (*Solvency Condition*).

6.5 *Notice of Interest Cancellation*: The Bank shall give notice to the Holders in accordance with Condition 16 (*Notices*) of any such cancellation of a payment of interest, which notice might be given after the date on which the relevant payment of interest is scheduled to be made, provided that any failure to give any such notice shall not affect the cancellation of the relevant interest payment and shall not constitute a default of the Bank for any purpose. Non-payment of any amount of interest (in whole or in part) scheduled to be paid on any date will constitute evidence of cancellation of the relevant payment (or the relevant part thereof), whether or not notice of cancellation has been given by the Bank.

6.6 *Interest non-cumulative; no default*: If the payment of interest scheduled on any date is cancelled, in whole or in part, in accordance with the provisions of Condition 4.5 (*Solvency Condition*), this Condition 6 (*Interest Cancellation*) or Condition 7.1 (*Loss Absorption following a Trigger Event*), the Bank shall not have any obligation to make such interest payment (or the cancelled part thereof) on such date or any time thereafter, the Bank may use such cancelled interest amounts for any purpose without limitation and the failure to pay such interest (or the cancelled part thereof) shall not constitute a default of the Bank under the Notes or for any purpose.

Any such interest will not accumulate or be payable at any time thereafter, the Bank will not be obliged to (and will not) make any other payment or settlement in any form in lieu thereof, and Holders shall have no right thereto whether in a winding-up of the Bank or otherwise.

## 7. Loss Absorption Following a Trigger Event

7.1 *Loss Absorption Following a Trigger Event*: If at any time the CET1 Ratio of the Bank and/or the DNB Group falls below 5.125 per cent. as determined by the Bank (or by the Norwegian FSA or any agent appointed by the Norwegian FSA for the purpose of making such determination) (a "**Trigger Event**"), then the Bank shall immediately notify the Norwegian FSA and, without delay and by no later than one month (or such shorter period as the Norwegian FSA may then require) from the occurrence of the relevant Trigger Event, shall (without the need for the consent of the Holders):

(i) cancel all interest accrued to (but excluding) the relevant Write Down Date (whether or not such interest has become due for payment and including any interest scheduled for payment on the Write Down Date); and

(ii) reduce the then Outstanding Principal Amount of each Note by the relevant Write Down Amount (such reduction, a "**Write Down**" and "**Written Down**" being construed accordingly).

For the avoidance of doubt, if the cancellation of interest pursuant to Condition 7.1(i) would result in an increase in the CET1 Ratio of the Bank and/or the DNB Group (as applicable), any such increase shall be disregarded for the purposes of calculating the Write Down Amount in respect of such Trigger Event.

*In addition to the provisions of this Condition 7.1, the Notes may separately be written down or converted to common equity tier 1 items by the Norwegian resolution authorities pursuant to Chapter 20 of the Financial Institutions Act, which implements in Norway the BRRD resolution regime (including, without limitation, the general bail-in tool or the non-viability loss absorption powers applicable to the write-down or conversion of capital instruments, such as the Notes). See "Risk Factors – The Notes may become subject to resolution actions under the Norwegian implementation of BRRD, and may be written down or converted into equity in certain circumstances*".

7.2 *Write Down Notice*: The Bank shall, as soon as reasonably practicable following the determination that a Trigger Event has occurred, and in any event not more than 5 calendar days following such determination, give notice (which notice shall be irrevocable) to the Holders (the "**Write Down Notice**") in accordance with Condition 16 (*Notices*) stating:

(i) that the Trigger Event has occurred;

(ii) the date on which the Write Down will take (or has taken) effect (the "**Write Down Date**"); and

(iii) if then determined, the principal amount by which each Note will be (or has been) Written Down on the Write Down Date.

If the Write Down Amount has not been determined when the Write Down Notice is given, the Bank shall, as soon as reasonably practicable following such determination, notify Holders of the Write Down Amount in accordance with Condition 16 (*Notices*).

Any failure or delay by the Bank in giving any such notice to the Holders referred to under this Condition 7.2 (*Write Down Notice*) or notification to the Norwegian FSA pursuant to Condition 7.1 (*Loss Absorption Following a Trigger Event*) will not in any way impact on the effectiveness of, or otherwise invalidate, any Write Down, or give Holders any rights as a result of such failure or delay, and shall not constitute a default by the Bank under the Notes or for any purpose.

7.3 *Loss Absorbing Instruments*: Write Down of the Notes will be effected, save as may otherwise be required by the Norwegian FSA, *pro rata* with (a) the concurrent Write Down of the other Notes; and (b) the concurrent (or substantially concurrent) write-down or conversion into equity, as the case may be, of any Loss Absorbing Instruments (based on the prevailing principal amount of the relevant Loss Absorbing

Instrument), provided that:

(i) with respect to each Loss Absorbing Instrument (if any), such *pro rata* write down or conversion shall only be taken into account to the extent required to restore the relevant CET1 Ratio(s) to the lower of (i) such Loss Absorbing Instrument's trigger level and (ii) 5.125 per cent. (being the level at which a Trigger Event occurs in respect of the Notes); and

(ii) if for any reason the Bank is unable to effect the concurrent (or substantially concurrent) write-down or conversion of any given Loss Absorbing Instruments within the period required by the Norwegian FSA, the Notes will be Written Down notwithstanding that the relevant Loss Absorbing Instruments are not also written down or converted.

For the avoidance of doubt, to the extent that the Bank is unable to write down or convert any Loss Absorbing Instruments as aforesaid, the Write Down Amount determined in accordance with part (i) of the definition of "Write Down Amount" will be calculated on the basis that such Loss Absorbing Instruments are not available to be written down or converted, and accordingly the Write Down Amount determined in accordance with that part (i) will be higher than it would otherwise have been if such Loss Absorbing Instruments had been available to be written down or converted.

The ineffectiveness of any write down or conversion of any Loss Absorbing Instrument shall not affect the requirement to effect a Write Down of the Notes.

7.4 *Write Down Amount*: "**Write Down Amount**" means, in respect of any Write Down, the amount by which the then Outstanding Principal Amount of each Note is to be Written Down, being (save as may otherwise be required by Applicable Banking Regulations) the lower of (i) and (ii) below:

(i) the amount per Note which is determined by the Bank to be necessary (in conjunction with (a) the concurrent Write Down of the other Notes; and (b) the concurrent (or substantially concurrent) write-down or conversion into equity of, or other loss absorption measures taken in respect of, any other Loss Absorbing Instruments, in each case in the manner and to the extent provided in Condition 7.3 (*Loss Absorbing Instruments*)) to restore each of the Bank's and/or the DNB Group's (as applicable) CET1 Ratio to at least 5.125 per cent. (and so that the lower of such CET1 Ratios is equal to (or as near as is practicable equal to but not less than) 5.125 per cent.); and

(ii) the amount necessary to reduce the Outstanding Principal Amount of each Note to zero.

The Outstanding Principal Amount of a Note shall not at any time be reduced to below zero as a result of a Write Down.

7.5 *Full Loss Absorbing Instruments*: If, in connection with the Write Down or the calculation of the Write Down Amount, there are outstanding any Loss Absorbing Instruments the terms of which provide that they shall be written down or converted into equity in full and not in part only ("**Full Loss Absorbing Instruments**") then:

(i) the requirement that a Write Down of the Notes shall be effected *pro rata* with the write-down or conversion into equity, as the case may be, of any such Loss Absorbing Instruments shall not be construed as requiring the Notes to be Written Down in full simply by virtue of the fact that such Full Loss Absorbing Instruments will be written-down or converted in full; and

(ii) for the purposes of calculating the Write Down Amount, the Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write-down of principal or conversion into equity, as the case may be, among the Notes and such other Loss Absorbing Instruments on a *pro rata* basis) as if their terms permitted partial write-down or conversion into equity, such that the write-down or conversion into equity of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (a) first, the principal amount of such Full Loss Absorbing

Instruments shall be written-down or converted into equity *pro rata* with the Notes and all other Loss Absorbing Instruments (in each case subject to and as provided in Condition 7.3) to the extent necessary to restore each of the Bank's and/or the DNB Group's (as the case may be) CET1 Ratio to at least 5.125 per cent.; and (b) secondly, the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (a) shall be written-off or converted into equity, as the case may be, with the effect of increasing the Bank's and/or the DNB Group's (as the case may be) CET1 Ratio above the minimum required level under (a) above.

7.6 *Interest accrual*: Following a reduction of the Outstanding Principal Amount of the Notes as described above, interest will accrue on the reduced Outstanding Principal Amount of each Note from (and including) the relevant Write Down Date, and (for the avoidance of doubt) such interest will be subject to Condition 4.5 (*Solvency Condition*), Condition 6 (*Interest Cancellation*) and Condition 7.1 (*Loss Absorption following a Trigger Event*).

7.7 *Write Down may occur on one or more occasion; No default:* A Write Down may occur on one or more occasions and accordingly the Notes may be Written Down on one or more occasions (provided however, for the avoidance of doubt, that the principal amount of a Note shall not at any time be reduced to below zero). Any reduction of the Outstanding Principal Amount pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*) shall not constitute a default by the Bank under the Notes or for any purpose.

7.8 *Cancellation not automatic:* If the Outstanding Principal Amount of the Notes is Written Down to zero, the Notes will not be automatically cancelled.

7.9 *Currency*: For the purposes of any calculation in connection with a Write Down or Discretionary Reinstatement of the Notes which necessarily requires the determination of a figure in the Accounting Currency (or in an otherwise consistent manner across obligations denominated in different currencies), including (without limitation) any determination of a Write Down Amount and/or a Maximum Write-up Amount, any relevant obligations (including the Notes) which are not denominated in the Accounting Currency shall (for the purposes of such calculation only) be deemed notionally to be converted into the Accounting Currency at the foreign exchange rates determined, in the sole discretion of the Bank, to be applicable based on its regulatory reporting requirements under Applicable Banking Regulations.

## 8. Discretionary Reinstatement of the Notes

8.1 *Discretionary Reinstatement of the Notes*: If, at any time while any Note remains Written Down, each of the Bank and the DNB Group records a positive Net Profit, the Bank may, in its sole and absolute discretion, increase the Outstanding Principal Amount of the Notes (a "**Discretionary Reinstatement**") by such amount as the Bank may elect, provided that such Discretionary Reinstatement shall not:

(i) result in the Outstanding Principal Amount of the Notes being greater than their Original Principal Amount;

(ii) result in the occurrence of a Trigger Event;

(iii) result in a breach of the Solvency Condition;

(iv) result in any Maximum Distributable Amount (if any) then applicable to the Bank or the DNB Group to be exceeded; or

(v) result in the Maximum Write-up Amount to be exceeded when taken together with the aggregate of:

(a) any previous Discretionary Reinstatement of the Notes out of the same Relevant Profits since the Reference Date (if any);

(b) the aggregate amount of any interest on the Notes that has been paid or calculated (but disregarding any such calculated interest which has been cancelled) since the Reference Date on the basis of an Outstanding Principal Amount that is lower than the Original Principal Amount;

(c) the aggregate amount of the increase in principal amount of the Written-Down Additional Tier 1 Instruments to be written-up out of the same Relevant Profits concurrently (or substantially concurrently) with the Discretionary Reinstatement and (if applicable) any previous increase in principal amount out of the same Relevant Profits of such Written-Down Additional Tier 1 Instruments since the Reference Date; and

(d) the aggregate amount of any interest on such Written-Down Additional Tier 1 Instruments that have been paid or calculated (but disregarding any such calculated interest which has been cancelled) since the Reference Date on the basis of a prevailing principal amount that is lower than the original principal amount at which such Written-Down Additional Tier 1 Instruments were issued.

8.2 *Notice of Discretionary Reinstatement*: In the event of a Discretionary Reinstatement in accordance with Condition 8.1 (*Discretionary Reinstatement of the Notes*), the Bank will give notice to Holders in accordance with Condition 16 (*Notices*) not more than ten Business Days following the day on which it resolves to effect such Discretionary Reinstatement, which notice shall specify the amount of such Discretionary Reinstatement and the date on which such Discretionary Reinstatement will be effected.

8.3 *Write-up of Written-Down Additional Tier 1 Instruments*: Any Discretionary Reinstatement shall be applied concurrently (or substantially concurrently) and *pro rata* with other write-ups to be effected out of the Relevant Profits in respect of any Written-Down Additional Tier 1 Instruments.

The Bank will not reinstate the principal amount of any Written-Down Additional Tier 1 Instrument that have terms permitting a write-up of such principal amount to occur out of the Relevant Profits on a similar basis to that set out in respect of the Notes unless it does so on a *pro rata* basis with a Discretionary Reinstatement of the Notes.

8.4 *Interest Accrual*: Following a Discretionary Reinstatement in respect of the Notes, interest will accrue on the increased Outstanding Principal Amount of each Note from (and including) the date on which the relevant Discretionary Reinstatement takes effect, and (for the avoidance of doubt) such interest will be subject to Condition 4.5 (*Solvency Condition*), Condition 6 (*Interest Cancellation*) and Condition 7.1 (*Loss Absorption following a Trigger Event*).

8.5 *Discretionary Reinstatement may occur on one or more occasions*: A Discretionary Reinstatement may occur on one or more occasions until the Outstanding Principal Amount of the Notes has been reinstated to the Original Principal Amount. Any decision by the Bank to effect or not to effect any Discretionary Reinstatement on any occasion shall not preclude it from effecting or not effecting any Discretionary Reinstatement on any other occasion.

8.6 *Scope of Discretionary Reinstatement*: Discretionary Reinstatement shall apply to the Notes only if, and to the extent that, the Notes have been Written Down following the occurrence of a Trigger Event in accordance with the provisions of Condition 7 (*Loss Absorption Following a Trigger Event*) above. If at any time the Notes are written down or converted to common equity tier 1 items by the Norwegian resolution authorities pursuant to Chapter 20 of the Financial Institutions Act, the principal amount by which the Notes are so written down or converted to equity shall not be reinstated (whether by way of Discretionary Reinstatement or otherwise) in any circumstances, and references in these Conditions to a Discretionary Reinstatement up to (or not exceeding) the Original Principal Amount of the Notes shall be construed as if the Original Principal Amount had been reduced by an amount equal to the principal amount of the Notes written down and/or converted under Chapter 20 of the Financial Institutions Act.

## 9. Redemption and Purchase

9.1 *No maturity*: The Notes are perpetual securities and have no fixed date for redemption. The Bank may only redeem the Notes at its discretion in the circumstances described herein. The Notes are not redeemable at the option of the Holders at any time.

9.2 *Redemption at the option of the Bank*: The Bank may, at its option (but subject to Condition 9.7 (*Conditions to redemption etc.*)) and having given not less than 15 nor more than 30 calendar days' notice to the Holders in accordance with Condition 16 (*Notices*) (which notice shall, subject as provided in Condition 9.8 (*Trigger Event following notice of redemption, substitution or variation*) below, be irrevocable and shall specify the date for redemption), redeem all (but not some only) of the Notes: (i) on any date during the period from (and including) the First Call Date up to (and including) the Reset Date or on any Interest Payment Date thereafter; or (ii) on any date up to (and including) the Reset Date or on any Interest Payment Date thereafter if 75 per cent. or more of the aggregate nominal amount of the Notes originally issued (and, for this purpose, any further Notes issued pursuant to Condition 18 (*Further Issues*) which are, or are to be, consolidated and form a single series with the outstanding Notes shall be deemed to have been originally issued) has been purchased and cancelled in accordance with this Condition 9 (*Redemption and Purchase*), in each case at their Redemption Amount.

9.3 *Redemption upon the occurrence of a Capital Event, a Withholding Tax Event or a Tax Event*: Subject to Condition 9.7 (*Conditions to redemption etc.*), upon the occurrence of a Capital Event, a Withholding Tax Event or a Tax Event, the Bank may, at its option, having given not less than 15 nor more than 30 calendar days' notice to the Holders in accordance with Condition 16 (*Notices*) (which notice shall, subject as provided in Condition 9.8 (*Trigger Event following notice of redemption, substitution or variation*) below, be irrevocable and shall specify the date for redemption), redeem all (but not some only) of the Notes at any time during the Fixed Rate Period, or thereafter on any Interest Payment Date, at their Redemption Amount.

The Bank, having satisfied itself that a Capital Event, a Withholding Tax Event or a Tax Event has occurred, shall notify the Holders in accordance with Condition 16 (*Notices*) of the occurrence of such Capital Event, Withholding Tax Event or Tax Event.

9.4 *Purchase*: The Bank or any member of the DNB Group may at any time permitted by applicable law and regulation (but subject to Condition 9.7 (*Conditions to redemption etc.*)) purchase Notes in the open market or otherwise and at any price in accordance with applicable laws and regulations. Such Notes may, subject to applicable law and regulation, be held, reissued, resold or surrendered for cancellation.

9.5 *Cancellation*: All Notes which are redeemed, all Notes which are purchased and surrendered for cancellation and all Notes which are substituted pursuant to Condition 9.6 (*Substitution and variation*), will forthwith be cancelled and deleted from the records of VPS and cannot be reissued or resold.

9.6 *Substitution and variation*: Subject to Condition 9.7 (*Conditions to redemption etc.*), if a Capital Event, a Withholding Tax Event or a Tax Event has occurred and is continuing, or in order to ensure the effectiveness and enforceability of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*), the Bank may at any time, at its option (without any requirement for the consent or approval of the Holders), having given not less than 15 nor more than 30 calendar days' notice to the Holders (in accordance with Condition 16 (*Notices*)) and the Account Manager, substitute all (but not some only) of the Notes for, or vary the terms of the Notes provided that they remain or (as appropriate) so that they become, Compliant Additional Tier 1 Notes (and, in either case, may change the governing law of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*) from English law to Norwegian law).

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Compliant Additional Tier 1 Notes. Such substitution or variation will be effected without any cost or charge to the Holders.

9.7 *Conditions to redemption etc.*: The Notes may only be redeemed, purchased, cancelled, substituted, varied or modified (as applicable) pursuant to Condition 9.2 (*Redemption at the option of the Bank*), Condition 9.3 (*Redemption upon the occurrence of a Capital Event, a Withholding Tax Event or a Tax Event*), Condition 9.4 (*Purchase*), Condition 9.5 (*Cancellation*), Condition 9.6 (*Substitution and variation*) or Condition 15 (*Meetings of Holders; Modification*), as the case may be, if:

(i) either:

(A) the Bank has notified the Norwegian FSA of, and the Norwegian FSA has consented to, such redemption, purchase, cancellation, substitution, variation or modification (as applicable); or

(B) (pursuant to the Financial Institutions Regulation section 11-11) the Notes are replaced with own funds instruments which: (1) are of equal or higher quality than the Notes; (2) are issued in an amount at least equal to, or higher than, the principal amount of the Notes being redeemed or purchased; (3) are issued before the time at which the Bank (I) gives notice of redemption of the Notes to the Holders pursuant to these Conditions or, as the case may be, (II) enters into a legally binding agreement to purchase the relevant Notes; and (4) do not have terms that have an adverse effect on the Bank's ability to maintain profitability;

(ii) such redemption, purchase, cancellation, substitution, variation or modification (as applicable) is in accordance with all applicable laws and regulations, including the Applicable Banking Regulations;

(iii) (if and to the extent then required under the Applicable Banking Regulations) in respect of a redemption prior to the fifth anniversary of the Issue Date (A) in the case of a redemption of the Notes as a result of a Withholding Tax Event or a Tax Event, the Bank has demonstrated to the satisfaction of the Norwegian FSA that (1) the tax consequences of such event are material and (2) the relevant Change in Law was not reasonably foreseeable as at the Issue Date, or (B) in the case of redemption upon the occurrence of a Capital Event, the Bank has demonstrated to the satisfaction of the Norwegian FSA that the change (or pending change) in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date; and

(iv) in the case of a redemption of the Notes as a result of a Capital Event, a Withholding Tax Event or a Tax Event, or a substitution or variation is being effected in order to ensure the effectiveness and enforceability of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*), the Bank has delivered to the Account Manager (to hold for inspection by any Holder during business hours and upon reasonable notice) (A) a certificate signed by two Directors of the Bank stating that the Bank is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Bank so to redeem have occurred or, as the case may be, that the relevant substitution or variation is being effected in order to ensure the effectiveness and enforceability of Condition 20 (*Contractual Recognition of Norwegian Statutory Loss Absorption Powers*), and (B) in the case of a redemption of the Notes as result of a Withholding Tax Event or a Tax Event only, the relevant legal opinion referred to in the definition of Withholding Tax Event or Tax Event (as the case may be), which certificate and opinion shall be conclusive and binding on the Holders,

*provided that*, as regards Conditions 9.7(i) and (iii) above, if, at the time of any redemption, purchase, cancellation, substitution, variation or modification of the Notes, the prevailing Applicable Banking Regulations permit such redemption, purchase, cancellation, substitution, variation or modification only after compliance with one or more additional or alternative preconditions to those set out in Conditions 9.7(i) and (iii) above, the Bank shall comply (in addition or, as the case may be, in the alternative) with such additional and/or alternative precondition(s).

In addition, notwithstanding any other provision of these Conditions, if the Bank has elected to repay the

Notes but the Solvency Condition is not satisfied in respect of the relevant payment on the date scheduled for repayment, the relevant repayment notice shall be automatically rescinded and shall be of no force and effect and, accordingly, no repayment of the Outstanding Principal Amount of the Notes or any interest thereon will be due and payable on the scheduled repayment date, and the Notes will continue to remain outstanding on the same basis as if no repayment notice had been given.

The refusal by the Norwegian FSA to provide its consent to any redemption, purchase, cancellation, substitution, variation or modification of the Notes will not constitute a default under the Notes for any purpose and will not give the Holders any enforcement rights in respect of the Notes.

9.8 *Trigger Event following notice of redemption, substitution or variation*: If at any time the Bank has given notice that it intends to redeem, substitute or vary the terms of the Notes and, prior to the time of such redemption, substitution or variation, a Trigger Event occurs, the relevant redemption, substitution or variation notice shall be automatically rescinded and shall be of no force and effect. Accordingly, the Notes will not be redeemed, substituted or varied on the proposed date therefor, and instead a Write Down of the Notes will occur in accordance with Condition 7 (*Loss Absorption Following a Trigger Event*). The Bank will notify the Holders of such occurrence in accordance with Condition 16 (*Notices*) as soon as reasonably practicable.

9.9 *Notice of redemption following a Trigger Event*: If at any time the Bank has given a Write Down Notice, the Bank shall not subsequently give notice that it intends to redeem the Notes until after the Write Down Date specified in such Write Down Notice shall have passed.

## 10. Payments

10.1 *Method of payment*: Payments shall be made by credit or transfer to an account in NOK maintained by the payee with, or, at the option of the payee, by a cheque in NOK drawn on, a bank in Oslo. Payments of principal and interest in respect of the Notes will be made to the Holders shown in the records of the VPS in accordance with and subject to the rules and regulations from time to time governing the VPS.

10.2 *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to: (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

10.3 *Payments on business days*: If the due date for payment of any amount in respect of any Note is not a Business Day, the Holder shall not be entitled to payment of the amount due until the next succeeding Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

## 11. Taxation

11.1 *Gross up*: All payments of principal, interest and any other amounts in respect of the Notes by the Bank will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In the event of any such withholding or deduction in respect of payments of interest (but not principal or any other amounts) (and subject to Condition 6 (*Interest Cancellation*)), the Bank will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

(i) held by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Kingdom of Norway other than the mere holding of such Note; or

(ii) presented for payment more than 30 calendar days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth calendar day, assuming that day to have been a Business Day.

11.2 *Relevant Date*: As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Holders, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 16 (*Notices*).

## 12. Enforcement

12.1 There are no events of default in respect of the Notes (nor will a 'resolution' or 'moratorium' under Chapter 20 of the Financial Institutions Act in respect of the Bank constitute an event of default in respect of the Notes). Holders shall not be entitled at any time to file for liquidation or bankruptcy of the Bank.

12.2 If (other than pursuant to an Excluded Winding-up) the Bank is liquidated, dissolved or otherwise wound-up by way of public administration, in each case by a court or agency or supervisory authority in the Kingdom of Norway having jurisdiction in respect of the same, the holder of any Note 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 liquidation, dissolution or winding-up, together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding commencement of such liquidation, dissolution or winding-up and any other amounts payable on such Note (including any damages payable in respect thereof). Such claim shall rank as provided in Condition 4 (*Status and Ranking*).

12.3 Subject to Condition 12.1 and without prejudice to Condition 12.2, any Holder may, at its discretion and without further notice, institute such proceedings against the Bank as it may think fit to enforce any obligation, condition or provision binding on the Bank under the Notes, provided that the Bank 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.

## 13. Prescription

The Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

## 14. Agents

The names of the initial Account Manager and Paying Agent and their initial Specified Offices are set out above.

The Bank is entitled to appoint, vary or terminate the appointment of any Account Manager and/or Paying Agent and/or additional or other Account Managers and/or Paying Agents and approve any change in the Specified Office through which any Account Manager and/or Paying Agent acts, provided that:

(i) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent, with a Specified Office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority; and

(ii) there will at all times be an Account Manager authorised to act as an account operating institution with the VPS.

The Account Manager and Paying Agent act solely as agents of the Bank and do not assume any obligation to, or relationship of agency or trust with, any Holders.

## 15. Meetings of Holders; Modification

15.1 *Meetings of Holders:*

(i) *Convening of Meetings*: Meetings may be convened by the Bank at its option at any time, and shall be convened by the Bank if required in writing by Holders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding.

(ii) *Quorum*: The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding a certificate (dated no earlier than 14 calendar days prior to the meeting) from the VPS (or from the Account Manager) stating that the holder is entered into the records of the VPS as a Holder and is representing in aggregate not less than 50 per cent. in nominal amount of the Notes for the time being outstanding and providing an undertaking that no transfers or dealing have taken place or will take place in the relevant Notes until the conclusion of the meeting, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including (i) an amendment to any date for payment of interest in respect of the Notes; (ii) a reduction or cancellation in the nominal amount or any other amount payable on redemption of the Notes; (iii) a reduction in the rate of interest in respect of the Notes or a variation in the method of calculating the rate or amount of interest or the basis for calculating any interest amount in respect any Note; (iv) a variation to any basis for calculating the Redemption Amount of any Note; (v) a variation to the currency of payments in respect of the Notes; (vi) modifying the provisions concerning the Write Down and/or Discretionary Reinstatement of the Notes or (vii) certain modifications to the quorum and voting provisions set out under the Meetings Schedule), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons being Holders whatever the nominal amount of the Notes so held or represented.

(iii) *Place of Meeting*: Meetings of the Holders may, in the Bank's discretion, be convened at a physical place, or via teleconference or videoconference (or similar electronic facilities which enable attendees to hear, and be heard at, the meeting), or a combination of the foregoing.

(iv) *Written Resolutions*: An Extraordinary Resolution may also be passed by way of a resolution in writing signed by or on behalf of the Holders of not less than three-quarters of the aggregate nominal amount outstanding of the Notes (a "**Written Resolution**"). The Bank shall be entitled to request such reasonable information as it may consider necessary to ascertain that each signatory to a Written Resolution is the Holder of the relevant principal amount of Notes (or a duly appointed representative acting on behalf of such Holder), and shall in that regard be entitled to rely on any certificate provided by the VPS (or the Account Manager) dated no earlier than 14 calendar days prior to the date of signature by the relevant person.

(v) *Resolutions binding*: An Extraordinary Resolution passed at any meeting of the Holders or by way of a Written Resolution shall be binding on all the Holders, whether or not they are present at the meeting or, as the case may be, sign the Written Resolution.

(vi) *VPS Certificates*: For the purposes of a meeting of Holders or Written Resolutions, the person named in a certificate from the VPS (or from the Account Manager) described above shall be treated as the holder of the Notes specified in such certificate provided that he has given an undertaking not to transfer the Notes so specified (prior to the close of the meeting or, as the case may be, the deadline set by the Bank for the signing of the Written Resolution).

(vii) *Meetings Schedule*: The provisions for the convening and holding of such meetings of Holders are set out in a Meetings Schedule (the "**Meetings Schedule**"), a copy of which is available to Holders for inspection upon request to the Bank.

15.2 *Modification of Notes*: Without prejudice to any other provision of these Conditions, the Bank may make, without the consent of the Holders but subject to Condition 9.7 (*Conditions to redemption etc.*):

(i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) to the Notes and/or these Conditions which the Bank deems in its sole opinion is not materially prejudicial to the interests of the Holders;

(ii) any modification to the Notes and/or these Conditions which is necessary to effect any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5.8 (*Benchmark Discontinuation*); or

(iii) any modification to the Notes and/or these Conditions which the Bank in its sole opinion considers is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Subject as provided in these Conditions, no other modification may be made to the Notes or these Conditions except with the sanction of an Extraordinary Resolution.

Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

With respect to Condition 15.2(i) above, the inclusion of a term in the Conditions that prohibits or restricts the Bank's discretion to cancel payments of interest otherwise scheduled to be paid on an Interest Payment Date following the occurrence of a Capital Event will be treated as a modification which is not prejudicial to the interests of the Holders, provided that the inclusion of such term does not result in the occurrence of a Capital Event, a Withholding Tax Event or a Tax Event.

**16. Notices**

For so long as the Notes are listed on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and admitted to trading on the regulated market of Euronext Dublin, notices to Holders will be deemed to have been validly given if published on the website of Euronext Dublin or in such other manner as Euronext Dublin or its rules and regulations may prescribe or accept. Such notice will be deemed to have been given on the date of such publication.

The Bank shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading (which, in the case of the Oslo Stock Exchange, is currently by notice to the Oslo Stock Exchange).

Notices shall also be given in accordance with the procedures of VPS.

**17. Waiver and Remedies**

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

**18. Further Issues**

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

## 19. Governing Law and Submission to Jurisdiction

19.1 The Notes and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, English law, except that (i) the provisions of Condition 4 (*Status and Ranking*), Condition 7 (*Loss Absorption Following a Trigger Event*), Condition 8 (*Discretionary Reinstatement of the Notes*) and any non-contractual obligations arising therefrom or in connection therewith, (ii) any other write-down or conversion of the Notes in accordance with Norwegian law and regulation applicable to the Bank from time to time and (iii) Condition 3 (*Form, Denomination and Title*), the creation and issue of the Notes and the registration of the Notes in VPS and the provisions of Condition 15.1 (*Meetings of Holders*) relating to meetings of the Holders, and any non-contractual obligations arising therefrom or in connection therewith, are in each case governed by, and shall be construed in accordance with, the laws of the Kingdom of Norway. The Notes shall also comply with the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6, as amended or superseded from time to time and the Holders will be entitled to the rights and are subject to the obligations and liabilities which arise under that Act and any related regulations and legislation.

19.2 The Bank agrees, for the exclusive benefit of the Account Manager, the Paying Agent and the Holders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including a dispute relating to any non-contractual obligations arising therefrom or in connection therewith) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Notes (including any Proceedings relating to any non-contractual obligations arising out of or in connection therewith) may be brought in such courts.

19.3 The Bank hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts or the Norwegian courts, as the case may be, shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

19.4 Nothing contained in this Condition shall limit any right to take Proceedings against the Bank in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

19.5 The Bank appoints DNB Bank ASA (London Branch) at its registered office for the time being at 8th Floor, The Walbrook Building, 25 Walbrook, London, EC4N 8AF as its agent for service of process, and undertakes that, in the event of DNB Bank ASA (London Branch) ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings.

19.6 Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## 20. Contractual Recognition of Norwegian Statutory Loss Absorption Powers

20.1 *Agreement, acknowledgement and consent with respect to the exercise of the Norwegian Statutory Loss Absorption Powers*

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Bank and any Holder (which, for the purposes of this Condition 20, includes each holder of a beneficial interest in the Notes), by its acquisition of any Note (or any beneficial interest therein), each Holder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(i) the effect of the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant

Resolution Authority, which exercise may include and result in (without limitation) any of the following, or a combination thereof:

(a) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(b) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Bank or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(c) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(d) the amendment or alteration of the duration of the Notes or amendment of the amount of interest payable on the Notes, or the dates on which interest may become payable, including by suspending or cancelling payment for a temporary period; and

(ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority.

20.2 *Payment of interest and other Relevant Amounts*

No repayment or payment of any Relevant Amounts in relation to the Notes will become due and payable or be paid after the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, written-down, cancelled, amended or altered as a result of such exercise.

20.3 *No default*

Neither a reduction or cancellation, in part or in full, of any Relevant Amount, the conversion thereof into another security or obligation of the Bank or another person, as a result of the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Bank, nor the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes will constitute an event of default or other default under the Notes.

20.4 *Notice*

Upon the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes, the Bank shall as soon as reasonably practicable notify the Account Manager and Paying Agent in writing of such exercise and give notice of the same to the Holders in accordance with Condition 16. Any delay or failure by the Bank in delivering any notice referred to in this Condition 20.4 shall not, however, affect the validity and enforceability of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority, nor constitute an event of default or other default under the Notes.

20.5 *Definitions*

In this Condition 20:

"**Norwegian Statutory Loss Absorption Powers**" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Norway, relating to (i) the transposition into Norwegian law of Directive 2014/59/EU as amended or superseded from time to time (including pursuant to the Applicable Banking Regulations) and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Bank (or any affiliate of the Bank) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the

Bank or any other person (or suspended for a temporary period);

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

"**Relevant Resolution Authority**" means the (or each) resolution authority with the ability to exercise any Norwegian Statutory Loss Absorption Powers in relation to the Bank.

## 21. Rights of Third Parties

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

## USE OF PROCEEDS

The issue of the Notes will form part of the Bank's capital base and the net proceeds (estimated to be approximately NOK 648,050,000) of the issue of the Notes will be applied by the Bank for its general corporate purposes, which may include the refinancing of existing indebtedness.

## DESCRIPTION OF THE BANK AND THE DNB GROUP

*In addition to the below, please refer to the information incorporated herein by reference as set out in the "Documents Incorporated by Reference" section above.*

*The financial information contained in this section relating to the year ended 31 December 2022 has been extracted from the Bank's 'Annual report 2022 as incorporated by reference in this Prospectus. Financial information included in the Annual report 2022 is audited.*

### Overview

The DNB Group is one of Norway's largest financial services groups as measured by total assets, with total assets of NOK 3,559 billion as of 30 June 2023, compared to NOK 3,304 billion for the DNB Group as of 30 June 2022, and NOK 3,233 billion as of 31 December 2022. The DNB Group offers corporate, retail and investment banking services and products to customers in Norway and internationally, in addition to life insurance and pension saving products and asset management services through its wholly-owned subsidiaries DNB Livsforsikring AS and DNB Asset Management AS, respectively. As of 30 June 2023, the DNB Group had loans to customers of NOK 2,025 billion compared to NOK 1,925 billion as of 30 June 2022 and NOK 1,961 billion as of 31 December 2022. The DNB Group's profit for the six months ended 30 June 2023 was NOK 19.9 billion, compared to NOK 15.6 billion for the six months ended 30 June 2022 and NOK 33.4 billion for the year ended 31 December 2022.

The DNB Group conducts its operations through the Bank and its subsidiaries, as set forth below in "*Description of the Bank and the DNB Group—Legal Structure of the DNB Group*". The DNB Group offers a full range of financial services, including loans, savings and investment, payment transfers, advisory services, real estate broking, insurance and pension products for personal and corporate customers. The DNB Group is among the world's leading banks within its international priority areas, especially the energy, shipping and seafood sectors. The bank offers telephone and online banking, and has a physical presence in 16 countries through its branch offices, subsidiaries and representative offices, and throughout Norway through its in-store banking outlets and branch offices.

The merger of DNB ASA and DNB Bank ASA, with DNB Bank ASA as the surviving company, was completed on 1 July 2021. For further information on the merger, see "*Description of the Bank and the DNB Group—The Merger*". The merger was completed with tax and accounting continuity. As part of the merger, DNB ASA's ownership of the wholly owned subsidiaries DNB Livsforsikring AS and DNB Asset Management AS, as well as its 35 per cent. ownership interest in Fremtind Forsikring AS, were transferred to DNB Bank ASA.

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and insurance activities of the DNB Group are currently performed by separate parts of the DNB Group. All asset management activities are organised under a common holding company, DNB Asset Management Holding AS. DNB Livsforsikring AS offers life insurance and pension saving products, both products with guaranteed returns and products with a choice of investment profile. Banking activities are conducted by the Bank and certain subsidiaries of the Bank. Fremtind Forsikring AS offers non-life (property and casualty) insurance products to retail and corporate customers. As of 31 December 2022, the Bank held an ownership share of 35 per cent. in Fremtind Forsikring AS.

Following the completion of the merger, DNB ASA was dissolved and the shares in DNB Bank ASA were simultaneously listed on Oslo Børs, with trading having commenced on 2 July 2021.

As of 31 December 2022, the DNB Group had approximately 2 million private customers and 229 thousand corporate customers.

### History of the Bank

The Bank traces its roots back to 1822, when Norway's first savings bank, Christiana Sparebank, was founded. The Bank was formed through mergers of several Norwegian banks. The name DnB NOR Bank ASA was adopted in 2003, when DnB Holding ASA and Gjensidige NOR ASA merged. The Bank's subsidiaries of DNB Holding ASA and Gjensidige NOR ASA, Den norske Bank ASA and Gjensidige NOR Sparebank ASA, respectively, merged on 19 January 2004.

On 11 November 2011, the Bank changed its name from DnB NOR Bank ASA to DNB Bank ASA. On the same date, several other DNB Group companies changed their names, including the holding company of the DNB Group, which changed its name from DnB NOR ASA to DNB ASA.

On 1 October 2012 the merger of the Bank and Nordlandsbanken ASA became effective.

On 30 September 2019, DNB completed the sale of part of its ownership interest in Luminor to a consortium led by private equity funds managed by Blackstone. As of the date of this Prospectus, the DNB Group holds a 19.95 per cent. stake in the Luminor Group through its wholly owned subsidiary DNB Baltic Invest AB.

The registered office of the Bank is at Dronning Eufemias gate 30, N-0191 Oslo, Norway and its telephone number is +47 915 04800. The Bank is a public limited company (in Norwegian: *allmennaksjeselskap*) under the Norwegian Act on Commercial Banks of 24 May 1961 No. 2 (which was replaced by the Financial Institutions Act from 1 January 2016) incorporated on 10 September 2002, with registration number 984 851 006.

**Recent and Planned Changes**

In June 2021, the DNB Group launched its revitalised sustainability strategy. Sustainability is integrated into all parts of the DNB Group's business operations and supports the DNB Group's strategic ambitions to create the best customer experiences, ensure compliance and deliver on financial targets. The DNB Group will be a driving force for sustainable transition, and use its position and expertise to actively help the customers to move in a more sustainable direction, through advisory services, financing and clear requirements. The DNB Group will primarily use positive influence, but may also choose not to provide financing to certain companies or industries that are not in line with its strategy. The DNB Group's sustainable strategy focuses on three priority areas:

- The DNB Group finances the climate transition and is a driving force for sustainable value creation.
- The DNB Group is a driving force for diversity and inclusion.
- The DNB Group combats financial crime and contributes to a secure digital economy.

In March 2022, the Bank acquired a majority of the shares of the Norwegian bank Sbanken ASA ("**Sbanken**"). Pursuant to a compulsory acquisition of the remaining shares, Sbanken became a wholly owned subsidiary of the Bank in April 2022. Following the completion of the acquisition, the Bank and Sbanken merged in May 2023. The merger was carried out by Sbanken transferring all its business, including all assets, rights and obligations, to the Bank as the acquiring company in the merger. No merger consideration was paid. Sbanken Boligkreditt AS and DNB Boligkreditt AS merged on 4 September 2023. The acquisition of Sbanken reduced the CET1 Ratio of the DNB Group by approximately 125 basis points with effect from the first quarter of 2022.

On 30 June 2021, the Bank's associated company, Vipps, signed a merger agreement with the Danish company, MobilePay (a wholly owned subsidiary of Danske Bank A/S), and the Finnish bank OP Cooperative's digital wallet, Pivo, to create a joint digital wallet. The European Commission expressed concerns about the proposed merger's impact on competition in Finland. As a result, Vipps and MobilePay sent a revised merger application to the European Commission. On 21 October 2022, the European Commission approved the revised merger application. The merger, which was completed on 1 November 2022, is expected to enable better solutions for people and businesses in Denmark, Finland and Norway. The new company will represent 11 million private customers and 400,000 corporates. The Bank now owns 46.86 per cent. of Vipps Holding AS, and Vipps Holding AS owns 72.2 per cent. of Vipps AS (Vipps AS being the merged Vipps and Mobilepay-business).

In 2021, the DNB Group decided to withdraw from Poland, by reducing its activity in a process that is expected to take several years. By the end of 2022, all corporate lending and deposits have been exited. Some products remain, including the retail mortgage loans portfolio, which will require more time to exit.

## The Merger

### *Introduction*

On 21 October 2020, the Board of Directors of DNB ASA and DNB Bank ASA signed a joint merger plan, in which it was proposed that the companies' extraordinary General Meetings approve a merger of the two companies through a reverse subsidiary merger, involving the transfer of all DNB ASA's assets, rights and obligations to DNB Bank ASA. The joint merger plan was approved at the General Meeting of each company on 30 November 2020 and the merger was effective as of 1 July 2021.

Following the completion of the merger, DNB ASA was dissolved and the shares in DNB Bank ASA were simultaneously listed on Oslo Børs, with trading having commenced on 2 July 2021.

All financial information for the Issuer presented in this Prospectus is on a post-merger basis.

## Corporate object

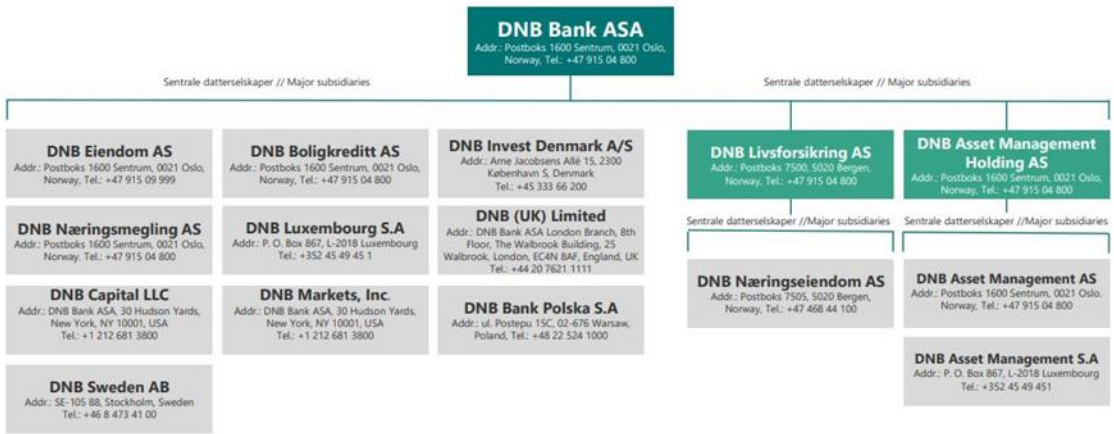
Pursuant to Article 1-2 of the Articles of Association of the Bank, the corporate object of the Bank is to perform all types of business and services that are customary or natural for banks to engage in within the scope of Norwegian legislation in force at any time.

## Legal Structure of the DNB Group

All asset management activities are organised under a common holding company, DNB Asset Management Holding AS. DNB Livsforsikring AS offers life insurance and pension saving products, both products with guaranteed returns and products with a choice of investment profile. Banking activities are conducted by the Bank and its subsidiaries.

As of the date of this Prospectus, DNB Bank ASA is the parent company of the DNB Group. The Bank manages the general affairs of the DNB Group, including the planning, supervision and financial control of the DNB Group's businesses.

The chart below shows the DNB Group's legal structure following the completion of the merger. The figures includes the major subsidiaries of the DNB Group.




## Control of the Bank

As of the date of this Prospectus, DNB Bank ASA is the parent company of the DNB Group. DNB Bank ASA is listed on the regulated market of Oslo Børs and is subject to disclosure requirements under Norwegian law applicable to listed companies, as well as the reputation of the Oslo Børs. In addition, there are statutory measures whose objectives are to prevent abuse of control in place under the Norwegian Public Limited Liability Companies

Act. The Financial Institutions Act imposes stricter rules for banks. The Norwegian Ministry of Finance must assess and approve all shareholders that own or acquire a qualified amount (usually 10 per cent. or more) of shares in a financial undertaking.

**Strategy, Vision and Values**

The DNB Group's long-term ambitions as set out in its corporate strategy, launched in the summer of 2020, are to create the best customer experiences, ensure compliance and achieve its financial targets.

***Creating the Best Customer Experiences***

In a market with increasingly transparent and open value chains, strong customer relationships are crucial in order to retain DNB Group's customers and ensure continued profitability. The DNB Group aims to create the best customer experiences so that customers choose DNB and to ensure that customer relationships are maintained. Sustainable restructuring is increasingly important to achieve competitiveness in the business sector. The DNB Group's customers have high expectations of how sustainability is integrated into DNB's advisory services, products, and financing solutions.

***Ensure Compliance***

New national and international rules and legislation are constantly being adopted and applied to the financial services industry. At the same time, the expectations from the DNB Group's customers and owners are increasing, especially in relation to sustainability topics, such as climate issues and environmental, social and governance factors. The DNB Group aims to secure long-term value creation and responsible operations by maintaining a high level of compliance expertise, as well as by thoroughly and systematically refining corporate governance and controls. All of the DNB Group's employees and others who work on the DNB Group's behalf must understand their scope of action and work towards a strong culture of compliance. By ensuring compliance, the DNB Group believes it will build and retain the trust of the DNB Group's customers, owners and society in general.

***Deliver on Financial Targets***

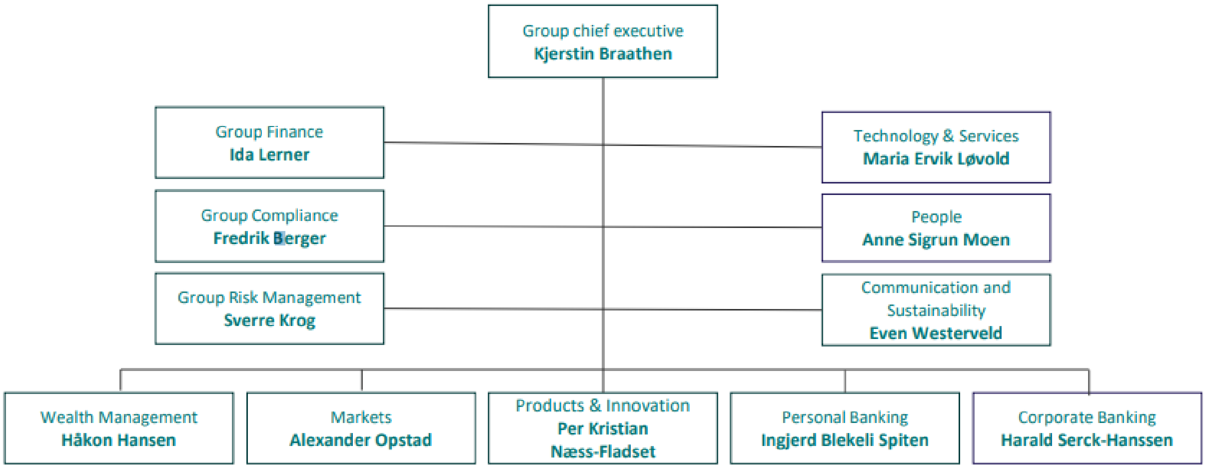
The DNB Group aims to achieve good, long-term returns. Delivering on financial targets provides the necessary scope of action to position the DNB Group for the future, while ensuring long-term value creation. The DNB Group aims to do this by focusing on earnings, a responsible cost level, effective capital use, integration of sustainability throughout the company, and an adaptable and effective organisation.

In November 2022, the DNB Group launched its financial ambitions for the period 2022-2025. The overriding target for return on equity was updated from more than 12 per cent. to more than 13 per cent. The targets of a cost/income ratio of below 40 per cent. and a dividend pay-out ratio above 50 per cent. remained unchanged.

**DNB Group Operational Structure**

The DNB Group's operational structure enables it to quickly and effectively adapt to changes in customer behaviour, and to develop products and services that meet customer needs.

The chart below sets forth the operational structure of the DNB Group as of the date of this Prospectus:




The business areas consist of the customer areas, Personal Banking and Corporate Banking, and the product areas, Wealth Management, Markets and Payments & Innovation.

Personal Banking serves the DNB Group's personal customers and is the market leader in the Norwegian personal customer market. Customers are offered a wide range of services through a modern distribution network which includes mobile solutions, customer service centres and online banking, as well as branch offices and real estate broking. Corporate Banking serves the DNB Group's corporate customers and includes the DNB Group's customers in the Norwegian business community and public sector, as well as all international customers and financial institutions.

DNB Markets is one of Norway's leading investment firms and provides the DNB Group's customers with investment banking services, including risk management, investment and financing products in the capital markets. The Wealth Management product area is responsible for developing the DNB Group's savings, investment and pension products, and delivers defined-contribution pension schemes to its customers in close cooperation with the customer areas. Wealth Management is also responsible for all the DNB Group's mutual fund products.

The Payment & Innovation product area is focused on strategic business development and is responsible for three Group functions: innovation, payments (including associated infrastructure) and Open Banking, which works on opening up the DNB Group's infrastructure to allow third-party service providers to access DNB Group data in order to provide services to DNB Group customers.

The DNB Group's six staff and support units are Group Finance, Group Compliance, Group Risk Management ("**GRM**"), Technology & Services, People, and Communications. These units provide infrastructure services to the business areas and certain operational tasks that provide cost efficiencies if undertaken collectively for several business areas. Furthermore, the staff and support units perform functions for the governing bodies and management of the DNB Group. The size and capacity of the support units is a function of the volume of business and the DNB Group's strategy. The support units are each designated as separate and independent entities.

**DNB Group Reporting Structure – Business Segments**

Financial governance in the DNB Group is adapted to the different segments. The income statements and balance sheets for the segments are presented in accordance with internal financial reporting principles, according to which revenues, costs and capital requirements are allocated to the segments based on a number of assumptions. Reported figures for the different segments thus reflect the DNB Group's total sales of products and services to the relevant segments. The follow-up of total customer relationships and segment profitability are two important dimensions when making strategic priorities and deciding on where to allocate the DNB Group's resources.

With effect from the first quarter of 2020, the DNB Bank Group changed the composition of its reportable segments, as the Small and medium-sized enterprises and Large corporates and international customers were combined into the reportable segment Corporate customers.

A description of the DNB Group's business segments for financial reporting purposes as of the date of this Prospectus is set out below.

***Personal Customers***

This segment includes the DNB Group's approximately 2 million personal customers in Norway as of the date of this Prospectus. The customers are offered a wide range of services through Norway's largest distribution network, comprising branch offices, telephone banking, digital banking, mobile banking solutions, real estate broking as well as external channels such as banking in stores. By the end of 2022, the DNB Group had 56 domestic branches.

Personal Customers includes the DNB Group's total sales of products and services to personal customers in Norway, both digital and physical, with the exception of certain fixed interest residential mortgages, which are recorded under Traditional pension products. These mortgage portfolios were transferred to DNB Livsforsikring to reduce the balance sheet of the DNB Group, and are reported as part of traditional pension products, where returns accrue to the policyholders.

In the DNB Group's consolidated financial statements, the residential loan portfolio of DNB Boligkreditt is reported as part of the Personal Customers segment. The remaining part of the DNB Boligkreditt business is reported as part of Other operations. Loans to customers booked in DNB Boligkreditt as of 30 June 2023 amounted to NOK 679.7 billion.

DNB Eiendom is reported within Personal Customers and is Norway's largest real estate broker. The company offers services related to the sale of residential and holiday properties and housing projects, as well as advisory services in connection with the sale of other real estate.

***Corporate Banking***

Corporate Banking includes the DNB Group's Norwegian corporate customers, the public sector, all international customers and financial institutions. The DNB Group's ambition is to maintain a leading position in Norway and strengthen its operations internationally within selected industries for its largest customers, while strengthening initiatives in the small and medium-sized corporate customer and start-up sectors.

***Other operations***

Other operations includes the results from risk management in DNB Markets and from traditional pension products in DNB Livsforsikring. In addition, the other operations segment includes group items not allocated to the customer segments, such as market-making and other trading activities in fixed income, currencies and commodities (FICC) as well as equities, including risk management of the risk inherent in customer transactions. Markets' trading activities support the customer activities.

**Litigation**

Due to its extensive operations in Norway and abroad, the DNB Group will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the DNB Group's financial position.

In February 2020, the NFSA conducted an anti-money laundering inspection of the Bank in relation to its operations in Norway. On 7 December 2020, DNB announced that a preliminary report from the NFSA indicated the possibility of an administrative fine of NOK 400 million, due to inadequate compliance with the Norwegian Anti-Money Laundering Act. On 3 May 2021, NFSA published its final report and a resolution related to this case (both dated 30 April 2021), confirming that the fine was imposed. DNB has already recognised the total fine in its annual financial statements for 2020. DNB has not been under suspicion of money laundering or complicity in money laundering. However, in its report of 30 April 2021 the NFSA was critical of DNB's compliance with the AML regulations and remediation of weaknesses identified in prior inspections. The NFSA has also indicated that certain findings of this review will form part of its further monitoring of the Bank to ensure that identified instances of non-compliance are addressed. The DNB Group spends considerable resources in the battle against money laundering. Nevertheless, the DNB Group acknowledged that the anti-money laundering efforts had not given sufficient results at the time of the inspection, and the DNB Group therefore announced the same day that it accepted the fine.

As part of its follow-up, on 19 April 2022 the NFSA issued a decision to order the Bank to collect and store legal identification for remaining customers, persons acting on behalf of customers and persons with disposal rights over an account or deposit, by 1 August 2022. As agreed with the NFSA, the Bank reported on the implementation and progress of the order per 1 August 2022 within the reporting deadline of 8 August 2022.

On 1 September 2022, the NFSA imposed compulsory fines on the Bank for failing to comply with the NFSA's order of 19 April 2022. These fines comprise NOK 50,000 per business day from 2 September 2022 until the NFSA finds that their order is satisfied. Pursuant to Norwegian law, a coercive fine is not classified as an "administrative sanction", but instead an "administrative measure", which is not considered punishment for a previous breach of compliance but rather a forward-looking measure to incentivise an increased effort to comply with a decision. On 29 June 2023, the NSFA stated that it was satisfied with DNB's customer identity verification status, and the compulsory fines of NOK 50,000 per day ceased effective from 24 April 2023.

New tax rules for life insurance and pensions companies were introduced for the fiscal year 2018, with associated transitional rules. When the financial statements and tax return for DNB Livsforsikring were prepared in 2018, it was unclear how the transitional rules should be interpreted, and DNB Livsforsikring did not agree with the Norwegian Tax Administration's interpretation of the original wording of the law. Based on an overall assessment, the net tax effect associated with the transitional rules was included as a tax income of NOK 880 million for the DNB Group. In the 2018 tax return, DNB Livsforsikring demanded a larger tax deduction than the tax effect recognised in the accounts. In January 2022, DNB Livsforsikring received a final decision concerning a change in the tax assessment for 2018. DNB Livsforsikring has appealed the decision to the Norwegian tax appeal board, Skatteklagenemnda. On the basis of a new review of the matter, a tax expense of NOK 299 million was recognised in the accounts in the fourth quarter of 2021 related to the transition effect in 2018. The final outcome of the matter is uncertain and may result in either lower or higher tax deductions than those used as the basis in the DNB Group accounts. If DNB Livsforsikring does not win its case on any of the points, this will give a further increased tax expense of NOK 460 million related to the transition effect in 2018.

In July 2021, the Bank received a decision from the Norwegian tax authorities relating to the deduction of external interest expenses. According to Norwegian tax legislation, external interest expenses are to be distributed proportionally among companies' operations in Norway and certain international branch offices based on the respective entities' total assets. This could result in additions or deductions from the companies' income in Norway. The decision calculates the limitation of interest deduction by including internal receivables and covers the fiscal years 2015-2019. The decision represents a tax exposure of NOK 1.7 billion for the period in question. The estimated tax effect for the years 2020-2022 amounts to a total of approximately NOK 80 million. The Bank disagrees with the tax authorities' interpretation of the legislation. Legal proceedings were initiated in 2021 and the first level of court proceedings took place at the beginning of May 2022. The first level court decision of 4 June 2022 was not in favour of the Bank and was appealed by the Bank on 4 August 2022. Court proceedings at the second level are scheduled for October 2023. No provisions have been recognised in the accounts but the final outcome of the dispute remains uncertain.

In the second quarter of 2022, the Bank received a notice from the Norwegian tax authorities relating to a reorganisation of the loan business in Sweden and in the UK in 2015. The tax authorities have challenged the valuation and calculation of taxable gains/losses related to loan portfolios that were sold from branches of the Bank to subsidiaries in Sweden and the UK. The Bank's maximum tax exposure is estimated to be approximately NOK 1.1 billion. While the Bank disagrees with the tax authorities' approach, and accordingly no provision has been recognised in its accounts, the final outcome of the dispute remains uncertain.

On 27 February 2023, the Bank received a notice of a change in the tax assessment of dividends received from US subsidiaries in 2019 and 2020. DNB has treated dividends received from its US subsidiary as covered by the tax exemption method, but the Norwegian tax authorities state that since the subsidiary is not itself a taxable entity in the US (and is taxed jointly with the Bank's branch office in New York, leading to, in the authorities' view an effective taxation rate that is less than two thirds of Norwegian taxation), the US would be considered a low-tax country such that the dividends would not be covered by the tax exemption method. The tax authorities have also announced that the subsidiary's payments of its share of the joint tax payment are to be considered taxable dividends. The notice means a tax exposure of NOK 1.6 billion for the Bank for the period. The Bank does not agree that the US should be regarded as a low-tax country, or that there are grounds for regarding the tax payments as dividends, and for this reason no provisions have been recognised in the accounts. The Bank has until 30 June 2023 to respond to the notice.

In June 2023, the Court of Justice of the European Union (CJEU) issued a judgment in connection with a judicial proceeding against a Polish bank not related to the Bank concerning foreign currency loan agreements in Poland. The judgment clarifies what claims the parties to a loan agreement can make against each other, if a national court finds that the loan agreement is invalid. The CJEU's decision is expected to affect other Polish banks with similar loan agreements. Based on the clarification from the CJEU, DNB Poland estimates an increased legal risk associated with a legacy foreign currency portfolio, and the accounts for the second quarter therefore include impairment of financial instruments of NOK 653 million.

## RISK AND CAPITAL MANAGEMENT

### Risk Management

The ability to manage risk is of crucial importance in the financial service industry and is a prerequisite for value creation over time. The Bank aims to maintain a low risk profile and to only assume risk that is understood and can be monitored. Risk management implies that profitability is considered relative to risk, while ensuring that the DNB Group is secured against unintentional risk. Healthy risk management is based on a strong risk culture, which is characterised by a high level of awareness concerning risk and risk management in the organisation. The DNB Group policy for risk management sets out the principles for all of the DNB Group's risk management activities and defines the ambitions for, attitudes towards and organisation of risk management. All managers are responsible for risk within their own area of responsibility. Risk is managed through personal authorisations and risk limits. Risk management functions and the development of risk management tools are undertaken by units which are independent of operations in individual business areas.

### Responsibilities and organisation

Roles and responsibilities relating to risk management are distributed in accordance with a corporate governance model with three lines of defence, as described in the principles for internal control, risk management and compliance. The interaction between the first, second and third line functions are set to ensure a high level of quality in the risk management. Defining clear roles and authorisations is a prerequisite for good interaction.

#### *First line of defence*

The principles for internal control, risk management and compliance state that all risk is owned by the first line of defence, which includes all of the DNB Group's operational functions (business areas and staff and support units). Risk is to be owned at the lowest possible organisational level. Risk owners are responsible for ensuring that the risk management requirements are complied with in the first line of defence. The term risk owner refers to a person with overall responsibility for – and authority to manage – a risk. A risk owner may be the head of an organisational unit or the owner of a product, service or process.

The first line of defence is responsible for risk management within its own area of responsibility and for documenting compliance with governing requirements. This responsibility includes establishing strategies, frameworks and/or authorisations, conducting risk assessments, using models and tools for quantifying risk, and performing risk reporting and control activities. The first line of defence shall have the competence required to perform its risk management responsibilities and the capacity to deal with unexpected incidents, including sudden shifts in macroeconomic conditions or in specific markets.

#### *Second line of defence*

The second line of defence consists of the risk management function and the compliance function. GRM constitutes the DNB Group's independent risk management function. This function is to advise the first line of defence on risk management issues, and must have the competence and capacity to contribute proactively to sound risk management in all parts of the DNB Group.

GRM is led by the Chief Risk Officer ("**CRO**"), who is a member of the Group Management team and has the opportunity to report directly to the Board of Directors. The CRO cannot be dismissed without the approval of the Board. GRM's areas of responsibility include:

- Determining the DNB Group's risk appetite and ensuring that the risk appetite framework functions effectively;
- endorsing decisions on risk-taking in the areas of credit, market and liquidity risk;
- having the ownership of and managing models and measurement methods for financial risk;

- having the overall responsibility for the independent validation of models;
- having the overall responsibility for stress testing and for recommending measures based on the conclusions of the stress tests;
- carrying out independent assessments and controls of the risk level and reporting on risk to the Group Management team and the Board; and
- preparing the DNB Group's recovery plan and following up the DNB Group's crisis management plan.

GRM is to be involved in assessments that have a material impact on the DNB Group's overall risk exposure and is to ensure that risks are assessed, managed, measured, monitored, reported and controlled adequately by the relevant business areas and staff and support units. In addition, the GRM shall monitor, report and give advice on the risk situation independently of the units that own and manage the risks. GRM must therefore have direct access to relevant information and unprocessed transaction data. The compliance function is an independent control function that reports, controls and advises on compliance risks.

***Third line of defence***

Group Audit is the third line of defence and assists the Board in ensuring that the DNB Group's risk management is of sufficient quality. Group Audit is independent of the DNB Group's executive management and reports to the Board.

*Board of Directors*

The management of the Bank falls within the authority of the Board of Directors (the "**Board**"). The Board shall ensure that the DNB Group's business operations are responsibly organised, which includes making sure that the requirements for the organisation of the business operations and the establishment of appropriate management and control systems are fulfilled. The Board is responsible for drawing up plans and budgets for the company's operations, and for issuing guidelines for these. The Board is responsible for approving and regularly assessing the guidelines for exposing the company to individual risks and total risk, and for identifying, managing, monitoring and controlling risks that the company is or may be exposed to, including system risk. The Board has a duty to keep itself informed about the company's financial position and to ensure that the company's activities, accounts and asset management are subject to adequate control. The Board is responsible for ensuring that the company is adequately capitalised and has sufficient liquidity relative to the risk and scope of its operations, and that all statutory capital requirements are met.

The Board shall initiate the investigations it finds necessary to be able to perform its duties. The Board must implement such examinations when a demand to that effect has been made by one or more of the board members.

The Board is responsible for supervising the day-to-day management of the DNB Group's activities in general. The Board shall draw up instructions regarding the day-to-day management of the DNB Group, and must ensure that the Chief Executive Officer ("**CEO**") regularly informs the Board of the DNB Group's operations, risk taking, capital adequacy, position and profit performance.

The Board shall annually evaluate its own work and competence. The Board shall annually evaluate the CEO through the Compensation Committee. This evaluation forms the basis for the determination of the CEO's salary and bonus that are adopted by the Board.

The Board is assisted by the Risk Management Committee, the Audit Committee and the Compensation and Organisation Committee.

**Risk Management Committee**

The Risk Management Committee has the authority to investigate all matters relating to the DNB Group that the Committee finds relevant for performing its tasks. The Committee has the following tasks:

- monitor and supervise the DNB Group's systems for internal control and risk management, including the DNB Group guidelines for risk management and compliance and internal audit processes. The supervision requirement also applies to the DNB Group's international operations, including its regional offices in New York, London, Singapore and Stockholm. The Committee exercises the role of 'US Risk Committee,' in accordance with US rules and legislation;

- advise the Board on the DNB Group's risk profile, including the DNB Group's current and future risk appetite and strategy. Advice given to the Board of Directors may cover strategies for capital and liquidity management, credit risk, market risk, operational risk, compliance risk, conduct risk, reputational risk, and other risks facing the DNB Group;

- prepare the Board's follow-up of risk management in the DNB Group, including reviewing and assessing the administration's risk reporting with a particular focus on:

  - capitalisation of the DNB Group (internal capital adequacy assessment process, ICAAP);

  - significant changes in models for calculating risk-adjusted capital and risk-adjusted return; and

  - follow-up of risk frameworks and strategies;

- follow up the DNB Group's implementation and follow-up of the adopted risk appetite and strategy, and provide an account to the Board that includes a summary of the overall risk situation and points out risk issues of particular importance.

Members of the Risk Management Committee are currently Jens Petter Olsen (Chair), Gro Bakstad, Lillian Hattrem, Julie Galbo and Christine Bosse, appointed among the members of the Board. In addition to the members of the Committee, the following must normally attend the meetings: the CEO and/or the Chief Financial Officer ("**CFO**"), the CRO, the Group Chief Compliance Officer and the Group Chief Audit Executive.

**Audit Committee**

The Audit Committee shall ensure that the DNB Group has independent and effective external and internal audit processes and satisfactory financial reporting in accordance with applicable rules and legislation.

The Committee has the following tasks:

- preparing the company's choice of auditor and making its recommendation in accordance with article 16 of Regulation no 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (the "**Audit Regulation**");

- assessing and monitoring the independence of the statutory auditor in accordance with Chapter 8 of the Act on Audit and Auditors and article 6 of the Audit Regulation, paying particular attention to ensuring that services other than auditing that are provided by the auditor or the auditing company are in accordance with article 5 of the Audit Regulation and do not pose a threat to the independence of the statutory auditor. In addition, making sure that the internal audit function acts independently of the management.

- discussing the plan for and scope of the auditing work with the statutory and internal auditor.

- supervising the financial reporting process, including monitoring the systems for internal control, risk management and internal audit without compromising the independent role of the Audit Committee.

- maintaining ongoing contact with the statutory and internal auditors regarding the auditing of the annual accounts, including, in particular, monitoring the performance of the auditing services in light of matters identified by the Norwegian FSA in accordance with article 26, sub-article 6 of the Audit Regulation.

- preparing the Board's follow-up of the financial reporting process and making recommendations or proposals to ensure its integrity, including reviewing and assessing the DNB Group's quarterly and annual financial reports, with a particular focus on:

    - changes in accounting principles and practices;

    - significant discretionary valuations and estimates;

    - considerable adjustments as a result of requirements and recommendations from the auditors;

    - compliance with laws, regulations and accounting standards.

- reviewing and discussing points on which the auditors disagree with the administration, and/or where great uncertainty has been pointed out by the auditors, and/or other matters that the auditors wish to discuss.

- meeting with the statutory auditor on behalf of the Board at least once every quarter. The agenda for the Audit Committee's meetings must contain a specific item for this purpose every quarter. The CEO and other representatives from the DNB Group's day-to-day management are not to participate in the consideration of these items. If items of importance to the individual subsidiary are considered, excerpts of the minutes of the meeting must be sent to the Chair of the Board of the relevant subsidiary, who will then inform the other board members at the subsequent board meeting.

- informing the Board of the results of the statutory audit and explain how the audit process added to the integrity of the financial reporting, and the role of the Audit Committee in that process.

Members of the Audit Committee are currently Gro Bakstad (Chair), Jens Petter Olsen, Lillian Hattrem, Julie Galbo and Christine Bosse, appointed among the members of the Board. In addition to the members of the Committee, the following must normally attend the meetings: the CEO and/or the CFO, the Group Chief Audit Executive and a representative of the statutory auditor.

**Compensation and Organisation Committee**

The Committee is responsible for preparing guidelines, frameworks and matters concerning remuneration that require the approval of the Board, including variable remuneration for employees in all or part of the DNB Group and other important personnel-related matters concerning senior executives (i.e. members of the Group Management and any others reporting to the CEO). The Committee is also responsible for preparing selected matters for the Board relating to culture, management and succession planning. Members of the Compensation and Organisation Committee are currently Olaug Svarva (Chair), Kim Wahl, Lillian Hattrem and Petter-Børre Furberg, appointed among the members of the Board.

**Group chief executive and the Group Management team**

The CEO is the managing director of the Bank and has the overall responsibility for the DNB Group. The Group Management meeting is the CEO's collegiate body for management at the DNB Group level. Major decisions concerning risk and capital management are generally made in consultation with the Group Management Team. The group executive vice presidents for the business areas and support units take part in the Group Management meeting.

The CEO has, inter alia, the following responsibilities:

- the day-to-day management of the DNB Group's operations, and ensuring that these are in accordance with applicable laws and regulations, articles of association, authorisations, instructions, the DNB Group's governing documents and the guidelines and instructions issued by the Board;

- ensuring that the DNB Group's strategy, values and purpose are developed and followed up in line with the long-term goals set by the Board;

- promoting compliance with good corporate governance standards within the DNB Group;
- ensuring that the DNB Group has effective corporate governance systems in place, including for internal control. The CEO has a special responsibility for following up on comments regarding the DNB Group's operations in reports from the authorities; and
- the DNB Group's risk management, including asset and liability management, liquidity management, and the purchase and sale of securities and ownership interests of strategic importance.

**Group Risk Management**

GRM is headed by a Group Executive Vice President, who is also the CRO. The CRO reports directly to the CEO and can, if necessary, report directly to the Board. The CRO defines principles and frameworks for risk-taking and internal control in the DNB Group. The CRO also makes independent assessments of the risk level and reports the DNB Group's risk situation.

Specialist units have been established to be responsible for frameworks and risk control within the various forms of risk. This applies to credit risk, market risk, liquidity risk, model risk and operational risk. In addition, independent entities have been established with responsibility for model development, model validation, risk data, risk analysis, stress testing and risk reporting.

GRM defines the framework for operational risk management and is an advisor for the first line, in addition to controlling, monitoring, and reporting the status of operational risk.

The CRO is responsible for the annual validation of the most important models used in financial and capital adequacy reporting. The validation is carried out by a separate entity that is independent of the first line and model development. The Board sets requirements for the content of the validation work.

The CRO is responsible for performing the regulatory stress tests, and for conducting stress tests and scenario analyses at Group level that capture the biggest risk factors at any given time. The stress tests are presented for comments in the Group Credit Committee, the Financial Market Risk Committee or the Asset and Liability Committee and must be approved by the CRO. CRO is responsible for recommending measures based on the conclusions of the stress tests. The stress tests are described in more detail in "**-** *Capital Management* **-** *Stress testing*." below.

GRM is responsible for conducting the Credit Risk Review and the Model Input Review. The Credit Risk Review assesses compliance with the DNB Group's internal requirements for credit risk management and reports the results to the Board. The Model Input Review should ensure correct and consistent use of IRB models.

The purpose of internal control is to ensure the organisation's goals in areas such as operational efficiency and effectiveness, reliable reporting and compliance with laws, regulations and guidelines. The DNB Group Instructions for Internal Control provide a common conceptual framework and understanding of internal control and form the basis for a framework for structured internal control work. An important element is the annual attestation of internal control, where the executive managers of all significant organisational units in the DNB Group make a summary assessment of internal control in their area.

GRM has established Operational Risk Officers, who work with all significant business areas in the DNB Group. Operational Risk Officers control risk reporting from the various units and follow up regarding the registration of operational incidents, including the establishment of risk-mitigating measures.

**The Compliance Function**

The compliance function is headed by the Group Chief Compliance Officer (the "**GCCO**"), who is also a group executive vice president and reports directly to the Group CEO and the Board. The GCCO sets the framework for the compliance function in the DNB Group. All business areas and support units, foreign branches of the DNB Group, companies in the DNB Group authorised under financial market regulations, and other companies as decided by the GCCO, must have a compliance function which is a part of the DNB Group’s Compliance function. The DNB Group’s Compliance function is a separate and independent second-line-of-defence control function that assists the Board, the Group CEO and other first-line managers in the work of ensuring that the DNB Group conducts its activities in accordance with relevant rules and legislation. The Compliance function comes in addition to the first line’s independent responsibility for internal control and for monitoring compliance with rules and legislation of significance to the relevant area or unit. The Compliance function provides advice and guidance on compliance, monitors and controls compliance and compliance risk, and reports and provides information on the status of compliance and compliance risk. The Compliance function takes a risk-based approach, mainly based on the rules and legislation that set conditions and requirements for the DNB Group’s licensed operations. This applies to financial, regulatory, competition and data protection rules and legislation, as well as rules and legislation aimed at counteracting money laundering, corruption and sanctions violations.

The Compliance function’s monitoring and control must include assessment of whether the DNB Group has implemented sufficiently effective guidelines and procedures to detect compliance risk. This also includes an assessment of preventive measures and procedures. The Compliance function should be involved in and help to assess the risk related to the implementation of new strategies, organisational changes and other changes to the DNB Group’s activities.

**Group Audit**

Group Audit assesses and evaluates whether adequate and effective risk management and internal controls have been established and are carried out in the Group. Through its activities, Group Audit actively contributes to improvements of the Group's operations. Furthermore, Group Audit assesses and evaluates whether risk identification procedures, established governance processes and internal control measures effectively contribute to increasing the Group's ability to achieve its objectives.

**Governing documents for risk management**

The DNB Group's corporate governance documents contain management principles related to:

- strategy and values;
- risk appetite;
- attracting, safeguarding, and developing employees;
- ethics (Code of Conduct);
- internal control, risk management and compliance; and
- application of the DNB Group's governing requirements.

Of these, risk appetite and internal control, risk management and compliance are particularly related to the management and control of risk.

The Board determines the long-term risk profile through the DNB Group's risk appetite framework, which is assessed and renewed at least once a year. The targets and limits set out in the risk appetite framework are reflected in other parts of risk management, including authorisations and business frameworks.

The governing documents state that the DNB Group is to have proactive management of risk – with clear and appropriate guidelines and procedures – that enable the DNB Group to make well-informed risk decisions. The DNB Group must always be able to identify, assess, manage, measure, monitor, report and control relevant risks. Risk management should support a sound risk culture and good business practices.

The DNB Group must only assume risks that are understood and can be managed. The DNB Group's culture must be endorsed by Group Management and characterised by individual responsibility, transparent methods and processes that support sound risk management. All levels in the organisation must have access to relevant and necessary risk information. Each individual manager must ensure that employees understand and take an active approach to risk and return on this. Risk must be an integral part of the governance and remuneration system, through indicators that operationalise risk limits and strategies and that are followed up by managers individually. Managers are also responsible for requiring and establishing adequate risk reporting in their own unit.

Risk management must be of good quality and have high information value. The concept of risk management includes coordinated activities, processes and measures that ensure that assessed risks are managed, monitored, reported, and controlled to an adequate extent and in line with the DNB Group's guidelines and requirements.

**Capital Management**

***Assessment of risk profile and capital requirements***

Pursuant to the Norwegian Public Limited Liability Companies Act, all companies must at all times have an adequate equity base which takes into account the extent of the company's activities and the risk they involve. Capital adequacy regulations specify a minimum primary capital requirement, which includes credit risk, market risk and operational risk. In addition to meeting the minimum requirement, the DNB Group must satisfy various buffer requirements. The difference between buffer requirements and minimum requirements lies in the consequences of non-compliance. Non-compliance with minimum requirements could result in the bank being restructured or wound up, while non-compliance with buffer requirements would result in implementing measures to strengthen capitalisation. Non-compliance with buffer requirements will result in restrictions on dividend payments, interest payments on hybrid securities and variable remuneration payments to employees. The NFSA assesses whether there are any risk elements in the individual institution that are not adequately covered by the basis of calculation for the minimum requirements and the general capital requirements (Pillar 1). These are referred to as the Pillar 2 requirements.

According to the DNB Group's capital strategy and dividend policy, the DNB Group shall in normal times operate with a headroom to the NFSA's applicable CET 1 expectation (including the Pillar 2 Guidance) at any time. This headroom shall cover unforeseen volatility in risk weighted assets and the capital base, support strategic flexibility and contribute to maintain trust in that dividends are paid according to the DNB Group's dividend policy and that coupon is paid on additional tier 1 instruments. The leverage ratio for the Bank and the DNB Group shall in normal circumstances fulfil the regulatory requirements with a reasonable margin. The capitalisation guidelines are reviewed each year based on the Internal Capital Adequacy Assessment Process (the "**ICAAP**") and feedback from the authorities through SREP.

With respect to Norwegian rules in force regarding loss absorption, please see "*Supervision and Regulation—Regulatory Framework in Norway"* below.

The Bank and the DNB Group are subject to the BRRD's resolution tools and powers. The BRRD contains four resolution tools and 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: (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 obligation; (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in, which gives resolution authorities the power to avail itself of the general bail-in tool.

The BRRD also provides for a Member State, in the event that the above resolution tools alone are insufficient to maintain financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

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

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to use non-viability loss absorption. Any shares issued to holders of the Notes upon any such conversion into equity may also be subject to any application of the general bail-in tool or other powers under the BRRD.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or its group will no longer be viable unless the relevant capital instruments (such as the Notes) are written down or converted or (iii) extraordinary public financial support is required by the relevant entity other than, where the entity is an institution, for the purposes of remedying a serious disturbance in the economy of a Member State and to preserve financial stability.

In the event of non-compliance with the combined requirements, including the Pillar 2 requirements, the DNB Group will have to explain the reason therefor to NFSA and present planned measures.

According to the DNB Group's capital strategy and dividend policy, the capitalisation level is intended to support the Bank's AA level rating target for ordinary long-term funding. Dividends will be determined based on factors such as the need to maintain satisfactory financial strength and developments in external parameters.

The capitalisation targets are based on the DNB Group’s prevailing risk-weighted assets at any given time.

***Basel III***

Basel III is an international regulatory standard on bank capital adequacy, stress testing and market liquidity risk issued by the Basel Committee for Banking Supervision.

Basel III includes updated and new approaches to calculate risk exposure amount (REA) for credit, market and operational risk. Basel III has been implemented in EU and EEA by means of CRR/CRD IV:

- CRR (the Capital Requirements Regulation) is a regulation and applies throughout the EU independent of national legislation. Through the EEA agreement, Norway is required to comply with the regulation.
- CRD (the Capital Requirements Directive) is the legal framework for the supervision of credit institutions and investment firms in the EU. In accordance with the EEA agreement, Norway is required to transpose the directive into Norwegian legislation.

CRR/CRD IV was implemented in Norway on 31 December 2019 through amendments to the Financial Institutions Act and the CRR/CRD IV Regulation.

See "*Supervision and Regulation—Capital Requirements-Capital adequacy and liquidity requirements – Norwegian requirements—Further Basel III changes*" for information regarding proposed changes to Basel III.

***Capital adequacy***

Risk exposure amount increased by NOK 24 billion from 30 June 2022 to NOK 1,095 billion at 30 June 2023 for DNB Group.

Risk exposure amount increased by NOK 94 billion from 30 June 2021 to NOK 1,071 billion at 30 June 2022 for DNB Group.

The DNB Group's capitalisation level is intended to support the Bank's AA level rating target for ordinary long-term funding. See "*Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under the Notes - Risks Related to the Legal and Regulatory Environments in which the DNB Group Operates - Payments on the Notes will be subject to Maximum Distributable Amount restrictions***.**" for the DNB Group and DNB Group capital levels.

***Economic capital***

The DNB Group quantifies risk by measuring economic capital. The quantification of economic capital is based on statistical probability calculations for the various risk categories on the basis of historical data. The DNB Group has defined economic capital as potential losses within a one-year horizon calibrated on the 99.9% confidence interval.

Internal economic capital is lower than external requirements. As a consequence, economic capital is grossed up to a total allocated capital ("**TAC**") to bridge the gap. TAC and expected losses over a normalised business cycle are elements in the calculations of risk-adjusted return, which is a key financial parameter in the internal management of the DNB Group. The calculations are included in the financial planning for the business areas and are reported quarterly. Risk-adjusted return is included in the prevailing pricing models used across the DNB Group and the results thereof are embedded in all business decisions by management. The figures are reported on a monthly basis in the management systems.

The DNB Group quantifies economic capital for the following risk categories: credit risk, market risk, operational risk and business risk. A significant diversification or portfolio effect arises when the various risks are considered together, as it is unlikely that all losses will occur at the same time. An economic downturn will normally have a negative effect on most areas, but there will be a diversification effect, as not all areas will be affected equally negatively. The diversification effect between risk categories and business areas implies that the DNB Group's economic capital will be lower than if the business areas had been independent companies.

***Stress testing***

Stress testing is a key element in the assessment of the DNB Group's capitalisation and is also used in connection with financial planning. Stress tests are used to predict how changes in macroeconomic conditions will affect the need for capital. Management is involved in determining the scenarios and underlying assumptions that will be used in the stress tests and uses the outcome of such testing as a basis for strategies and action plans.

Important stress tests that are carried out minimum annually in the DNB Group are the following:

- Extensive stress testing of the DNB Group and DNB Boligkreditt AS are carried out as a part of the annual ICAAP reporting, see the chapter on capital management and ICAAP.

- Crisis scenarios are being developed and tested as part of the DNB Group's recovery plan.

- Stress tests of specific credit portfolios are conducted on an ongoing basis.

- The bank regularly conducts liquidity risk stress tests to ensure that sufficient liquid assets are available to meet difficult situations in a satisfactory manner. In addition, DNB Boligkreditt AS carries out its own stress tests of resilience in the event of a fall in housing prices.

- A special stress testing programme for counterparty credit risk has been established, which will reveal undesirable outcomes of the total counterparty credit risk exposure, both on a stand-alone basis and as part of the bank's credit risk exposure.

- The Bank regularly performs stress tests for market risk to measure potential losses on the DNB Group's holdings and positions based on predefined scenarios and stress factors from changes in market prices.

The DNB Group participates in the stress tests of European banks coordinated by the European Banking Authority ("**EBA**"). The stress tests are conducted every other year and the next stress test will be in 2025, with results expected to be published by the end of July 2025. The stress tests assess European banks' resilience to severe shocks and losses, such as loan losses, market risk and reductions in net interest income, and the resulting effects on the banks' common equity Tier 1 capital ratios. In the EU stress test in 2023, the DNB Bank Group was among the best performing banks across Nordic and international peers.

***Risk appetite***

The risk appetite framework forms part of the strategic management of the DNB Group and consists of limits and assessment principles for the types of risks that are of particular importance for the DNB Group. The risk appetite principles form part of the governance principles on the highest level of the DNB Group's hierarchy of governing documents.

The DNB Group's risk appetite framework is decided by the Board of Directors and is reviewed and renewed at least once a year.

The risk appetite framework is implemented throughout the organisation. Risk indicators on lower organisational levels underpin the limits in the risk appetite framework. The risk indicators can be in the form of limits for quantifiable risk or qualitative assessments of the risk level. They need not be based on the same measurement parameters as the ones used at the DNB Group level, but it must be possible to link them to the same risk types and measure the same trends. The procedures for monitoring risk indicators are tailored to the individual business areas and are meant to ensure that risk is kept within the level stipulated in the risk appetite framework.

The risk level is measured against the risk appetite framework every month, and provides an overall summary of the risk situation in the DNB Group. The risk appetite framework includes 16 dimensions of risk, across risk types and business areas.  The table shows an overview of the framework and associated dimensions that were applied at the end of 2022:

| **Risk type:** | **Dimensions:** |
|---|---|
| Profitability and loss-absorbing ability: | – Risk-adjusted return |
| Capital adequacy: | – CET1 ratio<br>– Solvency Margin, DNB Livsforsikring AS, without transitional rules |
| Market risk: | – Market risk, measured  as a share of financial capital; |
| Credit risk: | – Concentration risk, within industries and conterparties;<br>– Credit quality (expected credit loss), total and per customer segment;<br>– Credit growth, total and per customer segment |
| Liquidity risk: | – Reserve (LCR) / (Long-term fudning (NSFR);<br>– Deposits to loans |
| Operational risk: | – IT Risk – IT operations, forward-looking risk assessment;<br>– IT Risk – operations, retrospective risk assessment;<br>– Past operational losses<br>– Cybersecurity risk |
| Reputational risk: | – Overall risk assessment and reputational measurement |

***Risk types***

Risk management covers both financial and non-financial risk and includes the following types of risk: credit risk, market risk, counterparty credit risk, liquidity risk, operational risk and business risk.

In addition to the risks mentioned above, the following risks are to be considered in the management of all risk types: concentration risk, sustainability risk, reputation risk and compliance risk.

**Definition of risk types**

Business risk is the risk of profit fluctuations due to changes in external factors such as the market situation, government regulations or weakened reputation. The DNB Group's business risk is generally handled through the strategy process and through on-going work to safeguard and improve the DNB Group's reputation.

Compliance risk is the risk of the DNB Group failing to comply with external regulations or internal rules derived from external regulations.

Counterparty credit risk is a form of credit risk that arises in connection with trades in financial instruments, such as derivatives, securities financing transactions or repurchase agreements ("repos") of collateral. Derivatives are most often traded Over-the-Counter (OTC), i.e. by individual contracts between two counterparties. Counterparty credit risk is the risk that the counterparty will fail to perform its contractual obligations in a transaction, and it differs from other credit risks in that the exposure usually depends on market risk factors, such as interest rates or exchange rates, commodity prices or share prices.

Credit risk is the risk of financial losses due to failure by the DNB Group's customers to meet their payment obligations towards the DNB Group. Credit risk refers to all claims against customers, mainly loans, but also commitments in the form of other extended credits, guarantees, interest-bearing securities, unutilised credit lines, derivative trading and interbank deposits. Credit risk also includes concentration risk, which is risk associated with large exposures to a single customer or concentration within geographical areas, within industries or related to homogeneous customer groups.

Concentration risk can arise within or across different risk types and consists of risks that unilaterally or mutually affect each other negatively and which in total can result in large losses or change the DNB Group's risk profile. Concentration risk is typically found within these risk types: credit, market, liquidity and operational risk.

Sustainability risk arises from events related to Environmental, Social and Governance (ESG) factors, which may negatively effect on the value for investments or the value of liabilities. These ESG factors can affect a number of risk types within both financial and non-financial risk and are most often manifested in these cross dimensional risk types:

- Transition risk - Risk linked to the consequences of political, regulatory or technological development during the transition to a low emission society.

- Physical climate risk- Risk related to the consequences of physical changes in the environment. The DNB Group divides physical climate risk according to how fast the risk occurs.

Liquidity risk is the risk that the DNB Group will be unable to meet its obligations as they fall due or will be unable to meet its liquidity obligations without a substantial rise in associated costs. Liquidity is vital for financial operations, but this risk does not materialise until other events give rise to concern about the DNB Group's ability to meet its financial obligations.

Market risk is the risk of potential losses due to unhedged positions in the foreign exchange, interest rate, commodity and equity markets. The risk reflects potential fluctuations in returns and values due to changes in market prices or rates. Market risk occurs in several segments of the DNB Group and includes both risk which arises through ordinary trading activities, and risks related to assets and liabilities positions stemming from banking activities and other business operations.

Operational risk is the risk of loss resulting from inadequate or failed processes, people and systems or from external events.

Reputational risk: A company's reputation is a crucial factor in ensuring sustainable operations over the long term. For DNB, reputation is most often assessed in connection with confidence in the DNB brand.

***Credit risk***

According to the DNB Group's credit risk framework, the principal objective for credit activity is that the loan portfolio should have a quality and a composition which secure the DNB Group's profitability in the short and long term. The quality of the credit portfolio should be consistent with the DNB Group's low risk profile target.

The risk appetite framework defines maximum limits for credit exposure. Limits have been set for annual growth, risk concentrations and credit quality. There is an upper limit for growth, measured in terms of EAD, for each customer segment. To limit concentration risk, there are limits for risk exposure on individual customers and industry segments. The limits for credit quality are defined as limits for Expected Credit Loss (ECL) and applies to all types of credit risk. ECL is measured using internal credit risk models and forward-looking macroeconomic assumptions.

In addition to the risk appetite framework, there are credit strategies for the individual customer segments. Furthermore, there are established risk indicators, which are used for monitoring managers on all levels.

The DNB Group's credit risk framework regulates credit activity in the Bank. A customer's debt servicing capacity is the key element when considering whether to approve a credit. If a customer has not proven a satisfactory debt servicing capacity, credit should normally not be extended even if the collateral is adequate. The value of collateral is intended to be assessed based on estimated realisation value.

All corporate customers granted credit must be classified according to risk in connection with every significant credit approval and, unless otherwise decided, at least once a year. Risk classification reflects long-term risk associated with each customer and the customer's credit commitment. The DNB Group has extensive experience with classification systems as support for credit decisions and monitoring. Data and analytical tools are an integrated part of risk management.

Credits showing a negative development are identified and followed up separately. If financial covenants have been breached, or if a loss event has occurred in cases where no impairment losses have been made, the credit will be put on a watch list for special monitoring. Loss events include serious financial problems on the part of the debtor, the approval of grace periods due to the debtor's financial problems or serious breaches of contract. In addition, customers classified as high risk are also considered as watch list candidates. When a customer is placed on a watch list, a new risk classification is made, the collateral reviewed and an action plan prepared for the customer relationship. Each time the commitment is reviewed, an assessment is made of whether a loss event has occurred. If a loss event has occurred, a loan loss equation is prepared, which in turn may result in impairment losses.

Exposure to the limits set in the risk appetite framework is reported to group management each month. If the limits are exceeded, it will be immediately reported to the Board, accompanied by an action plan explaining how the risk will be handled. A quarterly risk report for the DNB Group is distributed to the Board, giving an extensive description of the risk appetite status and other developments in the risk situation.

Developments in credit risk are monitored closely. Each month, the credit portfolios are analysed and reported along several dimensions, such as industry segment, customer segment and geography. This reporting is undertaken by a unit that is independent of the business units. In the internal monitoring of credit risk, all portfolios are measured and reported according to IRB models, independent of whether the portfolio is scored in models approved for use in capital adequacy calculations.

Economic capital for credit risk is calculated for all facilities and forms the basis for assessing the profitability of the individual facilities.

The DNB Group's credit risk models provide a basis for statistically based calculations of expected credit losses and economic capital. The calculations are based on several IRB risk parameters, with the most important being:

- Probability of default (“**PD**”), which is used to measure credit quality. Customers are classified based on the probability of default.

- Exposure at default (EAD), which is an estimated figure which includes amounts drawn under credit limits or loans as well as a percentage share of committed, undrawn credit lines.

- Loss given default (LGD), which indicates how much the DNB Group expects to lose if the customer fails to meet his or her obligations, taking into account the collateral provided by the customer and other relevant factors.

The DNB Group divides its portfolio into ten risk grades based on the PD for each commitment. Commitments in default, categorised as defaulted, are assigned a PD of 100.0 per cent.

Validation is a key element in assuring the quality of the IRB system and can be divided into quantitative and qualitative validation. Quantitative validation tests the risk models, whereas qualitative validation tests the structure of the IRB system and whether it is used as intended. At least once a year, the Board is required to present a validation report detailing whether the DNB Group's credit risk is adequately classified and quantified.

**Market risk**

Overall risk limits are established for market risk in the risk appetite framework, expressed as the maximum share of economic capital. The risk appetite framework for market risk is operationalised in the form of limits for each type of risk. The limits for significant market risk exposures are determined by the Board. Limits are set at least annually and will automatically expire if not renewed. The limits are delegated by the Board to the CEO, who delegates them further to risk-taking entities that make investment or trading decisions. If limits are breached, this must be reported immediately both to whomever delegated the limits and to GRM.

Administrative limits and escalation levels are set for exposures that are defined as less significant. Such limits are used when there is a need for operational scope of action. Administrative limits are determined by the Group Executive Vice Presidents. Any changes to administrative limits must be reported to GRM and the CRO.

Economic capital for market risk should, at a confidence level of 99.9 per cent., cover all potential losses related to market risk on a one-year time horizon. Exposure included in the model for calculating economic capital could be either actual exposure or limits and constitutes a conservative estimate where the DNB Group is assumed always to be incorrectly positioned relative to market developments.

Economic capital is calculated on the basis of expected developments in the value of an asset class or risk factor. To estimate annual losses, the value of each underlying instrument is simulated over a period of one year. Subsequent to this, losses for each potential realisation period are estimated.

Value at Risk (VaR) is used to compare risk across asset classes, and to monitor the level of risk for each risk type. VaR is calculated for interest rate, equity and currency risk attached to both banking and trading activities. In 2021, the VaR for interest rate risk associated with trading activities ranged between NOK 19.7 million and NOK 32 million. The annual average of total VaR in 2021 was NOK 23.4 million, which was 41 per cent. higher than the annual average in 2020, which was 16.6 million. In 2022, the VaR for interest rate risk associated with trading activities ranged between NOK 8.9 million and NOK 27 million. The annual average of total VaR in 2022 was NOK 17 million, which was 27 per cent. lower than in 2021.

The economic capital for total market risk in the DNB Group (post-merger) was NOK 11 billion at 31 December 2020, compared to NOK 10.6 billion at 31 December 2021 and NOK 10.1 billion at 31 December 2022.

The value of items on and off the balance sheet is affected by interest rate movements. The interest rate sensitivity table below shows potential losses for the DNB Group excluding Poland resulting from parallel one percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for the DNB Group relative to the Bank's positions. Also, all interest rate movements within the same interval are unfavourable for the DNB Group. The figures will thus reflect maximum losses for the DNB Group.

The calculations are based on the DNB Group positions as at 31 December and market rates on the same date. The table does not include administrative interest rate risk and interest rate risk tied to non-interest-earning assets.

| *Amounts in NOK million* | Up to 1 month | From 1 months to 3 months | From 3 months to 1 year | From 1 year to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| **31 December 2022** | | | | | | |
| NOK | 491 | 388 | 82 | 27 | 29 | 78 |
| USD | 30 | 63 | 63 | 21 | 9 | 19 |
| EUR | 9 | 103 | 29 | 13 | 29 | 139 |
| GBP | 16 | 8 | 3 | 1 | 2 | 27 |
| SEK | 19 | 25 | 28 | 2 | 8 | 66 |
| **Other currencies** | 3 | 33 | 9 | 4 | 4 | 44 |
| **31 December 2021** | | | | | | |
| NOK | 798 | 357 | 196 | 153 | 344 | 55 |
| USD | 63 | 11 | 63 | 105 | 35 | 256 |
| EUR | 17 | 55 | 35 | 8 | 24 | 41 |
| GBP | 3 | 0 | 16 | 0 | 1 | 19 |
| SEK | 13 | 70 | 14 | 5 | 14 | 62 |
| **Other currencies** | 9 | 31 | 6 | 4 | 4 | 42 |
| **31 December 2020**(1) | | | | | | |
| NOK | 758 | 216 | 417 | 153 | 200 | 172 |
| USD | 94 | 44 | 25 | 33 | 73 | 153 |
| EUR | 78 | 45 | 23 | 13 | 149 | 171 |
| GBP | 3 | 6 | | | 1 | 9 |
| SEK | 33 | 8 | 16 | 5 | 2 | 32 |
| **Other currencies** | 5 | 28 | 7 | 6 | 3 | 38 |

Notes:
(1) Figures extracted from the DNB Group's 2021 Annual Financial Statements.
(2) Applies to the DNB Group excluding DNB Livsforsikring AS and DNB Bank Polska S.A

The table shows interest rate sensitivity associated with financial assets in DNB Livsforsikring, excluding commercial paper and bonds held to maturity. The interest rate sensitivity of a security shows potential changes in the security's value resulting from a one percentage point change in interest rates.

| *Amounts in NOK million* | Up to 1 month | From 1 months to 3 months | From 3 months to 1 year | From 1 year to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| **31 December 2022** | | | | | | |
| NOK | 6 | 11 | 74 | 249 | 276 | 616 |
| USD | 1 | 2 | 30 | 30 | 144 | 145 |
| EUR | 5 | 3 | 2 | 10 | 53 | 60 |
| GBP | 0 | 0 | 1 | 0 | 17 | 17 |
| **Other currencies** | 1 | 1 | 4 | 0 | 9 | 4 |
| **31 December 2021** | | | | | | |
| NOK | 6 | 40 | 76 | 552 | 1022 | 1,696 |
| USD | 0 | 11 | 24 | 91 | 414 | 475 |
| EUR | 2 | 12 | 6 | 46 | 98 | 136 |
| GBP | 0 | 0 | 1 | 3 | 46 | 48 |
| **Other currencies** | 0 | 2 | 14 | 0 | 24 | 8 |
| **31 December 2020** | | | | | | |
| NOK | 7 | 77 | 58 | 492 | 454 | 1,089 |
| USD | 2 | 12 | 2 | 103 | 403 | 499 |
| EUR | 1 | 17 | 1 | 81 | 144 | 218 |
| GBP | | | | 3 | 51 | 53 |
| **Other currencies** | | 1 | 16 | | 27 | 10 |

**Liquidity risk**

Liquidity risk is the risk that the DNB Group will be unable to meet its obligations as they fall due, and the risk that the DNB Group will be unable to meet its liquidity obligations without a substantial rise in appurtenant costs. Liquidity is vital to financial operations, though this risk category will often be conditional in the respect that it will not materialise until other events give rise to concern regarding the DNB Group's ability to meet its obligations.

***Liquidity risk management and measurement***

Liquidity risk is managed and measured by several techniques, as no single technique can fully quantify this type of risk. The techniques include the monitoring of balance sheet key ratios, average residual maturity on term funding and future funding requirements, including refinancing needs.

The Bank's liquidity management is organised based on a clear authorisation and reporting structure, and is in accordance with the regulations on prudent liquidity management. The Board of Directors regularly reviews the Bank's liquidity risk and determines limits and guidelines. The Board reviews the limits each year or more frequently if required. The limit structure for liquidity risk is in compliance with the structure in the Basel III framework. The limits for LCR and NSFR are part of the DNB Group's risk appetite framework, along with the ratio of deposits to net loans.

Liquidity risk is managed through short and long-term limits. The short-term limits are based on the LCR methodology with horizons of seven, 30, and 90 days. The long-term NSFR limits set requirements for the share of lending and other illiquid assets which is to be financed by stable sources such as customer deposits or funding with a residual maturity of minimum 12 months. In addition, the bank operates with thresholds for the deposits-to-loans ratio and average remaining time to maturity on long-term market funding. The bank has an ambition to have unencumbered mortgages equivalent to at least one year redemption in senior and senior non-preferred debt.

In addition to maintaining a broad deposit and funding base from both retail and corporate customers, liquidity management in the DNB Group aims to ensure diversified funding of other business activities. In many countries like Norway, with small domestic financial markets, banks rely on international funding in various currencies for part of their lending in the domestic market. As part of the diversification of funding sources, DNB Group focuses on having good relationships with a large number of international investors. The Bank is a regular issuer of short- and long-term debt securities in the Norwegian and international capital markets.

Covered bonds are an important instrument for long-term funding. The bonds are issued by the Bank's subsidiaries DNB Boligkreditt AS and Sbanken Boligkreditt AS, and are secured by the Bank's residential mortgage portfolios. During periods of turmoil, covered bonds have proved to be a more robust and considerably lower priced funding instrument than ordinary senior bonds.

The Bank has a short-term commercial paper program in the United States, through its USD 25 billion USCP Program with maturities of up to 13 months. U.S. short-term funding sources are further diversified through a so-called Yankee CD Program, totalling USD 25 billion, with maturities of up to 36 months. The certificates of deposits are issued by the Bank's New York Branch. This has helped ensure stable short-term funding in the U.S. market during periods of turbulence in other markets. In Europe, the Bank has a multi-currency EUR 15 billion ECP/CD Program with maturities of up to 12 months, which is operated out of the head office in Oslo and provides funding from the European market.

As a bank with a high credit rating in a relatively strong economy, the Bank attracts substantial funds from other banks, central banks and money market funds. These include both operating deposits and excess liquidity from both domestic and international banks. A large portion of these funds represents short-term deposits from money market funds which also have short-term deposits in central banks.

Even though the Bank is a well-established international borrower that has enjoyed ample access to international markets during periods of market turbulence, it also uses the domestic market for diversification purposes. The Norwegian domestic covered bond market has outgrown the Norwegian government bond market in terms of outstanding volumes, and is regarded by market participants as being just as liquid as the government bond market.

As an element in ongoing liquidity management, the Bank needs to have a holding of securities that can be used to regulate the DNB Group's liquidity requirements and serve as collateral for operations in the currencies in which the bank is active. The securities are used, among other things, as collateral for short-term loans in central banks and serve as liquidity buffers to fulfil regulatory liquidity requirements. Market risk in the liquidity portfolio is measured on an ongoing basis. In addition, developments in the credit rating of the underlying securities are followed up and reported on an ongoing basis.

At 30 June 2023, the liquid assets totalled NOK 874 billon. The Norwegian liquidity portfolio totalled NOK 189 billion at 30 June 2023, of which NOK 90 billion represented Norwegian government and other public sector bonds. At year-end 2021 the liquid assets totalled NOK 576 billon. The Norwegian liquidity portfolio totalled NOK 166 billion at year-end 2021, of which NOK 90 billion represented Norwegian government and other public sector bonds. At year-end 2020 the liquid assets totalled NOK 609 billon. The Norwegian liquidity portfolio totalled NOK 200 billion at year-end 2020, of which NOK 111 billion represented Norwegian government and other public sector bonds.

***Operational risk***

The operational risk situation in 2022 was satisfactory. The level of losses was below the limit in the risk appetite framework. In the banking industry, there is high risk of data fraud, whereby confidential information goes astray or the bank is exposed to digital attacks and data vandalism. Measures to strengthen information security in the DNB Group have been identified in order to meet an ever-more serious threat scenario. Strong emphasis is being placed on strengthening the DNB Group's security solutions to counter digital attacks.

The greatest operational risk is information security and is associated with extensive and increasingly advanced cyber-attacks. IT and payment systems are closely monitored to identify and prevent possible cyber-attacks and fraud attempts. IT operational performance was stable during the year, with few critical incidents.

The DNB Group quantifies operational risk by measuring economic capital. For most areas the calculation is the same as the standardised method in CRR.

Management of operational risk shall contribute to efficient and successful operations. The DNB Group has a goal of low operational risk and low annual losses. The Board has the main responsibility for operational risk management in the DNB Group, which is handled by the Risk Management Committee. This entails establishing a sound risk culture and clearly delegating responsibility for ongoing monitoring and control of operational risk. All managers in the DNB Group are required to be aware of and manage operational risk in their own processes, systems, products and services.

The responsibility for operational risk lies in the business and support areas. The largest areas have their own departments working on this. The Group Operational Risk Division in GRM is the DNB Group's central specialist unit for operational risk management and constitutes the DNB Group's second-line defence for operational risk. Group Operational Risk is an independent control function with responsibility for the framework for operational risk management, group reporting and risk reduction through insurance. Group Operational Risk is also responsible for the maintenance and development of the DNB Group's risk management tools, which facilitate comprehensive management and measurement of risk and compliance. Dedicated operational risk officers have been established affiliated with Group Operational Risk to monitor operational risk in all business and support areas.

The DNB Group's risk appetite sets the limits for how much operational risk the DNB Group is willing to accept. Risk identification and assessment, together with registration and follow-up of operational events, shall provide an overall picture of the operational risk and contribute to reliable measurement of risk. See "*Risk and Capital Management — Responsibilities and organisation*" for further information.

Operational loss events in the DNB Group are registered, reported and followed up on an ongoing basis in the DNB Group's event database. Compliance breaches are registered in the database as well.

The annual internal control assessment is a key element in the DNB Group's operational risk management. All of the DNB Group's business areas and staff and support units carry out a self-assessment of their current status in this field, combined with a process to identify areas of risk that more units may have in common. Thereafter, concrete risk-mitigating measures are identified. These processes are part of the DNB Group's internal control reporting. In addition, developments in operational risk are reported each quarter to group management and the Board of Directors as an element in the DNB Group's risk reporting.

The DNB Group's insurance coverage is an element in operational risk management. Insurance contracts are entered into to limit the financial consequences of undesirable events which occur in spite of established security routines and other risk-mitigating measures. The insurance program also covers legal liabilities the DNB Group may face related to its operations.

**Business risk**

Business risk is manifested in an unexpected decline in profits. Such a decline can be caused by competitive conditions resulting in lower volumes and pressure on prices, competitors introducing new products, government regulations or negative media coverage. Losses arise if the DNB Group fails to adapt its cost base to such changes.

Negative media coverage may be a consequence of other risk factors, but is handled as business risk in the DNB Group. A damaged reputation can have an adverse impact on all business areas, independent of where in the DNB Group or in the rest of the financial industry the original incident occurred.

In 2022, DNB's reputation, as measured by Traction, was lower than DNB's target. Among other things, increased interest rates and the extensive effort to have all customers renew their proof of identity have led to negative media reports and frustration among some customers.

As business risk may arise due to various risk factors, a broad range of tools is applied to identify and report such risk.

Sound strategic planning is instrumental in reducing business risk. Reputational risk is managed through policies and business activities, including compliance.

The DNB Group's active commitment to corporate social responsibility and the code of ethics for employees also have a positive impact on business risk.

Reputational risk is managed by monitoring media coverage, while the competitive situation is managed by analysing market trends and developments in market shares.

The DNB Group has developed a model for calculating business risk per business area. The model is based on past fluctuations in income and costs and is structured so that if all other factors are kept constant, high income volatility raises the risk level and thus economic capital. Vice versa, a highly flexible cost structure will reduce economic capital.

***Quality of non-performing exposures by geography***

The table shows quality of non-performing exposures divided into on-balance sheet and off-balance sheet exposures. Further it shows the most significant geographical areas. The geographical breakdown is based on the residence of the counterparty. Most of the credit portfolio is linked to Norway or Norwegian customers. The gross carrying amount of non-performing exposures amounted to NOK 31,086 million at end-December 2022, down from NOK 36,823 million at end-December 2021. The geographical area with the highest volume of non-performing exposures is Norway, while the areas with the highest share of non-performing exposures in relation to total exposures are Other countries (3 per cent) followed by the UK (2 per cent). Other countries are exposures to geographical areas that are not deemed material.

| | **Gross carrying/Nominal amount** | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Of which: Non-performing** | | | | | |
| **Amounts in NOK million** | | | Off which: Defaulted | **Of which: Subject to impairment** | **Accumulated impairment** | **Provisions on off-balance sheet commitments and financial guarantee given** | **Accumulated negative changes in fair value due to credit risk on non-performing exposures** |
| **On balance sheet exposures** | **2,304,914** | **27,842** | **27,842** | **2,111,504** | **(8,185)** | | |
| Norway | 1,638,441 | 16,880 | 16,880 | 1,560,948 | (5,486) | | |
| Germany | 226,531 | 1,000 | 1,000 | 150,225 | (255) | | |
| Sweden | 47,297 | 8 | 8 | 42,221 | (26) | | |
| UK | 35,908 | 1,092 | 1,092 | 35,541 | (187 | | |
| USA | 36,880 | 12 | 12 | 35,335 | (19 | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| International organisations | 40,133 | | | 7,510 | | | |
| Other countries | 279,724 | 8,850 | 8,850 | 279,724 | (2,212) | | |
| **Off balance sheet exposures** | **763,567** | **3,244** | **3,244** | | | **(620)** | |
| Norway | 512,513 | 1,324 | 1,324 | | | (310) | |
| Sweden | 67,416 | 56 | 56 | | | (59) | |
| USA | 70,046 | 0 | 0 | | | (13) | |
| UK | 28,572 | 67 | 67 | | | (9) | |
| Denmark | 12,723 | 3 | 3 | | | (13) | |
| Other countries | 72,298 | 1,793 | 1,793 | | | (216) | |
| **Total** | **3,068,482** | **31,086** | **31,086** | **2,111,504** | **(8,185)** | **(620)** | |

## MANAGEMENT

### Board of Directors

#### *Responsibilities and organisation*

The Board determines principal goals, strategic choices and financial plans for the DNB Group and is continually updated on the DNB Group's financial position and development by approving quarterly and annual reports and through a monthly review of the DNB Group's financial position and development. Furthermore, the Board ensures that operations are subject to adequate control and that the DNB Group's capital position is satisfactory relative to the risk and scale of operations. In order to perform its responsibilities, the Board must make such inquiries as it considers necessary, and must also supervise the day-to-day management of the Bank and its business in general. In accordance with the Bank's articles of association, the Board must consist of between nine and eleven members. Three of the members, including the deputy members, shall, if required by a majority of the employees, be employed in a company in the DNB Group. Members are elected for terms of up to two years. The Chairperson and Vice-chairperson are elected separately by the annual general meeting for a term of up to two years. The current Chairperson is Olaug Svarva and the current Vice-chairperson is Jens Petter Olsen. The total remuneration paid to the Board in 2022 (excluding remuneration received as employees of the Bank) was NOK 6.45 million. Set forth below are details regarding the members of the Board.

| Name | Current position | Member since | End of current term |
|---|---|---|---|
| Olaug Svarva | Chair | 2018 | 2024 |
| Jens Petter Olsen | Vice chair | 2020 | 2025 |
| Gro Bakstad | Board member | 2019 | 2025 |
| Kim Wahl | Board member | 2013 | 2024 |
| Julie Galbo | Board member | 2020 | 2024 |
| Christine Bosse | Board member | 2023 | 2025 |
| Petter-Børre Furberg | Board Member | 2023 | 2025 |
| Lillian Hattrem | Board employee representative | 2016 | 2024 |
| Jannicke Telle Skaanes | Board employee representative | 2022 | 2024 |
| Stian Tegler Samuelsen | Board employee representative | 2020 | 2024 |

The business address of the Board of Directors is c/o DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway.

### Biographies of the Board of Directors

Set out below are brief biographies of the members of the Board, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the DNB Group and the names of companies and partnerships of which any member of the Board is or has been a member of the administrative, management or supervisory bodies or partner during the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

**Olaug Svarva**, **chairperson**, Ms Svarva holds an MBA and B.Sc. from the University of Denver, is an authorised portfolio manager from the Norwegian School of Economics and is a graduate from Trondheim Economic University College. She was CEO of Folketrygdfondet (the Government Pension Fund Norway) from 2006 to 2018, where she previously held the role of investment director for Equities. She is the former managing director of SpareBank 1 Aktiv Forvaltning and was head of investment management at SpareBank 1 Livsforsikring. Additionally, Ms Svarva worked as a financial analyst in Carnegie and the DNB Group.

Other key positions of trust: Chairperson of the board of Norfund, member of the boards of the Institute of International Finance, Investinor AS and Freyr Battery.

**Jens Petter Olsen, Vice chair**, Mr Olsen holds a master's degree in business administration (higher division) from the Norwegian School of Economics, as well as Master of Philosophy in finance, and participated in the PhD program at London Business School. He was employed in Norges Bank and Norges Bank Investment Management (NBIM) from 1997 to 2008, and headed the office in New York from 2000 to 2008. He held several positions in Danske Bank from 2008 to 2018, including head of Markets Norway from 2011 to 2014 and head of Capital Markets from 2014 to 2018.

**Gro Bakstad, Member**, Ms Bakstad holds a master's degree in Economics and Business administration ('Siviløkonom') and is a state-authorised public accountant from the Norwegian School of Economics. She has extensive experience within economics, finance and strategy work, and has been CEO in the transport group Vy since 2020. Former Chief Financial Officer of Posten Norge AS, financial adviser at Procorp, she has been Chief Financial Officer of Ocean Rig and Executive Vice President for the Mail Division at Posten Norge AS.

Other key positions of trust: Chairperson of the board of directors of Veidekke ASA.

**Kim Wahl, Member**, Mr Wahl holds an MBA from Harvard University. He has been chairperson the board of directors and owner of the private investment company Strømstangen AS. He was co-founder of the European Private Equity firm IK Investment Partners, where he was partner and vice-chairperson for 20 years. He also has experience from the US investment bank Goldman Sachs in London and New York.

Other key positions of trust: Chairperson of the board of directors and co-founder of the Voxtra Foundation. Member of the board of directors of UPM Kymmene Corporation.

**Julie Galbo, Member,** Ms Galbo holds a law degree from the University of Copenhagen and has completed the Executive Management Program at Insead.

She is a former member of the group management of Nordea, holding positions such as Head of Group Business Risk Management, Chief Risk Officer and Head of Legal Structure Program. She has been a member of the Senior Executive Management in Nordea Asset Management. She has further been Deputy Director of the Financial Supervisory Authority of Denmark and head of government capital contributions.

Other key positions of trust: Member of the board of directors of Trifork Holding AG, Velliv, Pension & Livsforsikring A/S and Commonwealth Bank of Australia.

**Christine Bosse, Member** Ms Bosse holds a Master in Law from the University of Copenhagen.

She is the former Group CEO of the Danish insurance company TrygVesta, where she has held different positions in the period from 1990 to 2011.

Other key positions of trust: Chair of the board of directors of Nunagreen and member of the board of directors of Allianze, Preventic Group and SSCP Excellence BidCo (AssistansBolaget).

**Petter-Børre Furberg, Member** Mr Furberg studied at the NHH Norwegian School of Economics and Business Administration.

He is presently Executive Vice President and Head of Telenor Nordics in the Norwegian telecom company Telenor ASA, where he has held different positions from 1998 up until today.

Other key positions of trust: Chair of the board of directors of the Finnish telecom company DNA Oyj.

**Lillian Hattrem, Member, employee representative,** Ms Hattrem has education in finance from BI Norwegian Business School and joined the DNB Group in 1999.

Other key positions of trust: Chief employee representative, Finance Sector Union DNB, Member of the Executive Committee of the Finance Sector Union of Norway.

**Stian Tegler Samuelsen, Member, employee representative**, Mr Samuelsen joined the DNB Group in 1986, and has been chief employee representative/safety representative since 2001.

Other key positions of trust: Chief employee representative on the board of the Finance Sector Union DNB. Head of the department for Buskerud in the Finance Sector Union.

**Jannicke Telle Skaanes, Member, employee representative,** Ms. Skaanes has a Bachelor's degree and a Master's degree in Management from the BI Norwegian Business School. She joined the DNB Group in 2006.

Other key positions of trust: Chief employee representative at DNB and chairperson of the board of the Finans & Teknologi worker's union.

**Independence**

The Bank complies with applicable rules regarding the independence of the Board.

**Board committees**

To ensure the Board's smooth functioning, the Board has established a risk management committee, an audit committee, and a compensation and organisation committee. See above under "*Risk and Capital Management"*.

**Bank Management**

***Responsibilities and organisation***

The Bank's executive management team consists of 12 members. The CEO is appointed by the Board is responsible for the Bank's day-to-day management. Responsibility for the management of the Bank is distributed among the business areas. The table below sets out the name, current position, year of appointment and business address for each of the members of the executive management team.

| Name | Current position | Year of appointment | Business address |
|---|---|---|---|
| Kjerstin Braathen | CEO | 2019 | DNB Bank ASA<br>Dronning Eufemias gate 30, 0191 Oslo |
| Ida Lerner | CFO | 2021 | DNB Bank ASA<br>Dronning Eufemias gate 30, 0191 Oslo |
| Anne Sigrun Moen | Group Executive Vice President of People | 2021 | DNB Bank ASA<br>Dronning Eufemias gate 30, 0191 Oslo |
| Per Kristian Næss-Fladset | Group executive vice-president Payments and Innovation | 2023 | DNB Bank ASA<br>Dronning Eufemias gate 30, 0191 Oslo |

| Name | Current position | Year of appointmen t | Business address |
|---|---|---|---|
| Håkon Hansen | Group executive vice-president Wealth Management | 2018 | DNB Bank ASA Dronning Eufemias gate 30, 0191 Oslo |
| Sverre Krog | Group executive vice-president Risk management | 2021 | DNB Bank ASA Dronning Eufemias gate 30, 0191 Oslo |
| Maria Ervik Løvold | Group executive vice-president Technology & Services | 2019 | DNB Bank ASA Dronning Eufemias gate 30, 0191 Oslo |
| Even Westerveld | Group executive vice-president Communications & Sustainability | 2023 | DNB Bank ASA Dronning Eufemias gate 30, 0191 Oslo |
| Alexander Opstad | Group executive vice-president DNB Markets | 2019 | DNB Bank ASA Dronning Eufemias gate 30, 0191 Oslo |
| Harald Serck-Hanssen | Group executive vice-president Corporate Banking | 2013 | DNB Bank ASA Dronning Eufemias gate 30, 0191 Oslo |
| Ingjerd Blekeli Spiten | Group executive vice-president Personal Banking | 2018 | DNB Bank ASA Dronning Eufemias gate 30, 0191 Oslo |
| Fredrik Berger | Group executive vice-president Group Compliance | 2023 | DNB Bank ASA Dronning Eufemias gate 30, 0191 Oslo |

**Kjerstin Braathen**

Chief Executive Officer since September 2019. Chairperson of Vipps AS.

Former chief financial officer, Former group executive vice president for Corporate Banking Norway. Has many years' experience from the Shipping, Offshore and Logistics division. Joined the DNB Group in 1999. Prior professional experience from Hydro Agri International.

Master in Management degree from the École Supérieure de Commerce de Nice Sophia Antipolis.

**Ida Lerner**

Chief Financial Officer since 1 November 2021.

Background: Former Head of Risk Management, former Head of DNB CEMEA in London, and former Head of Customer Analysis in DNB CEMEA. Joined the DNB Group in 2007. Previous experience from HSBC and Nordea.

Holds a Bachelor of Social Science with a major in Economics from the University of Stockholm.

**Anne Sigrun Moen**

Group Executive Vice President of People since 2021.

Former Senior Advisor and Head of Division within Human Relations at the DNB Group from 2007-2018.

Other professional experience includes positions as director of human resources in the Norwegian Tax Administration ("Skatteetaten"), human resources manager at DNV Maritime, principal consultant at DNV Learning and educational advisor at DNV Veritasskolen. Master's degree from Oslo College of Education and a Bachelor's degree from the University of Oslo.

**Ingjerd Blekeli Spiten**

Group Executive Vice President of Personal Banking since January 2018.

Currently Senior Vice President Global Products at Telenor. Has previously worked as COO in Microsoft, and been employed in the DNB Group for eight years, most recently as head of eBusiness. Former owner and strategic advisor in Poio AS. Chairperson of the board of directors of DNB Eiendom AS and member of the board of directors of Fremtind Forsikring AS.

Master of Science in Business from BI Norwegian Business School.

**Harald Serck-Hanssen**

Group Executive Vice President of Corporate Banking since 2019. Former head of the Shipping, Offshore and Logistics Division. Joined the DNB Group in 1998. Prior professional experience from StoltNielsen Shipping and Odfjell Group. Member of the board of directors of DigitalNorway.

BA (Hons) degree in business studies from the University of Stirling and Advanced Management Program at INSEAD Fontainebleau.

**Alexander Opstad**

Group Executive Vice President of DNB Markets since 2019

Prior positions in the DNB Group: Various positions within the Equities division of DNB Markets. Head of Equity Sales in London, global head of the equities division and part of the DNB Markets management team. Joined the DNB Group in 2005.

Key positions of trust include: Chairperson of the board of directors of DNB Markets, Inc., member of the board of directors of the Norwegian Securities Dealers Association.

Master of Science in Business from BI Norwegian Business School.

**Håkon Hansen**

Group Executive Vice President of Wealth Management & Insurance since 2018.

Background: Head of Private Banking and former head of DNB Luxembourg for ten years. Started his career with the DNB Group in 1987 in what was then called Sparebanken Buskerud and thereafter Sparebanken NOR. Chairperson of the board of directors of DNB Livsforsikring and DNB Luxembourg S.A.

Bachelor of Business Administration from BI Norwegian Business School. Has also completed a management program in financial investments (Master of Management) at the same school.

**Per Kristian Næss-Fladset**

Group Executive Vice President of Payments and Innovation since 2023.

Joined DNB in 2018. Previously Division Head for Payments & Open Banking. Previous professional experience at Cicero Consulting and Tinde ASA.

Holds a Bachelor in Informatics from the University of Oslo.

**Even Westerveld**

Group Executive Vice President of Communications & Sustainability since 2023.

Background: Former division head for External Communication in 2013-2020. Re-joined the DNB Group in 2023. Prior experience as Head of Communications in in Vipps Mobilepay, Head of People and Branding in Vipps, partner and consultant in Geelmuyden.Kiese.

Holds a Master in Governmental Science.

**Maria Ervik Løvold**

Group Executive Vice President of Technology and Services since 2019.

Background: Executive Vice President for the Product, Price and Quality division in Personal Banking. Head of section in and Deputy General Counsel for DNB Legal. Joined the DNB Group in 2010. Previous lawyer experience: Lawyer at Brækhus Advokatfirma.

Holds a Law degree from the University of Oslo.

**Sverre Krog**

Group Executive Vice President of Risk Management since 2021.

Background: Former Head of Division, Strategic Risk Intelligence in the DNB Group. Former Head of Section of Active Portfolio Management and Customer Analysis in Corporate Banking, DNB. Background from Corporate Finance. Joined DNB in 1999.

Education: Master of Science in Business ('*Siviløkonom'*) from BI Norwegian Business School.

**Fredrik Berger**

Group Executive Vice President of Group Compliance since 2023.

Background: Head of Corporate Centre, head of CEO Office and head of section and attorney at DNB Legal. Joined DNB in 2011. Previous lawyer experience: Lawyer at Advokatfirmaet Hjort.

Education: Law degree from University of Oslo.

No company in the DNB Group has issued loans or securities to any members of the Board of Directors or the Bank's management that are not on ordinary terms for employees of the DNB Group.

The DNB Group is not aware of any potential conflicts of interest between the duties to the DNB Group of each of the persons listed above under the headings "*Board of Directors*", and "*Bank Management*" and his or her private interests or other duties.

**Shareholders**

On 1 July 2021, the Bank merged with DNB ASA by way of a transfer of DNB ASA's shares into the Bank as acquiring company. Following the completion of the merger, DNB ASA was dissolved and the shares in the Bank were simultaneously listed on Oslo Børs, with trading having commenced on 2 July 2021. The completion of the merger and transfer of shares did not result in any dilution of the shareholders' ownership. The following table sets forth as of 31 March 2023, the 20 largest shareholders of the Bank, the number of shares held by each shareholder and the percentage of outstanding shares represented by each shareholding.

| | Shares in 1,000 | Ownership in per cent. |
|---|---|---|
| Norwegian Government/Ministry of Trade, Industry and Fisheries | 527,124 | 34.0 |
| DNB Savings Bank Foundation | 130,001 | 8.4 |
| Folketrygdfondet | 87,349 | 5.6 |
| The Capital Group Companies, Inc. | 86,240 | 5.6 |
| BlackRock, Inc. | 57,392 | 3.7 |
| Vanguard Group | 38,287 | 2.5 |
| Deutsche Bank AG Group | 30,978 | 2.0 |
| DNB Asset Management AS | 24,084 | 1.6 |
| T. Rowe Price Group, Inc. | 23,207 | 1.5 |
| Storebrand Kapitalforvaltning | 20,319 | 1.3 |
| State Street Corporation | 19,132 | 1.2 |
| Crédit Agricole S.A. | 16,610 | 1.1 |
| Kommunal Landspensjonskasse | 16,447 | 1.1 |
| Ameriprise Financials, Inc. | 15,733 | 1.0 |
| Danske Bank Group | 15,335 | 1.0 |
| Schroders PLC | 14,988 | 1.0 |
| Nordea AB | 13,386 | 0.9 |
| BNP Paribas, S.A. | 12,347 | 0.8 |
| Polaris Capital Management, LLC | 9,818 | 0.6 |
| UBS AG | 9,623 | 0.6 |
| **Total largest shareholders** | **1,168,400** | **75.4** |
| Other shareholders | 381,965 | 24.6 |
| **Total** | **1,550,365** | **100.0** |

There were no share buy-backs in 2022. A share buy-back programme of up to 0.5 per cent. was announced on 9 February 2023. The programme was completed on 10 March 2023. A total of 5,116,200 shares were bought back on market places, at an average price of NOK 201.0339. Following this, DNB owns a total of 5,116,200 own shares. The Annual General Meeting held on 25 April 2023 approved to cancel these shares.

At the Annual General Meeting on 25 April 2023, the Board was given authorisation for a new share buy-back programme of 3.5 per cent. In addition, DNB Markets was authorised to repurchase 0.5 per cent. for hedging purposes.

A share buy-back programme of up to 1.5 per cent. was announced on 17 July 2023. Up to 15,271,870 shares will be bought back on trading venues by 18 October 2023, and a proposal will be made at the Annual General Meeting in 2024 to cancel the shares.

The 2023 Annual General Meeting also decided to redeem and cancel 2,635,618 shares held by the Norwegian Government, represented by the Ministry of Trade, Industry and Fisheries, so that its current ownership interest of 34 per cent. remains unchanged.

## SUPERVISION AND REGULATION

### Overview

The Bank is the result of a merger between Gjensidige NOR Sparebank ASA and Den norske Bank ASA, as registered in the Register of Business Enterprises on 19 January 2004, and in which Gjensidige NOR Sparebank ASA was the acquiring entity. This entity subsequently changed its name to DnB NOR Bank ASA and further changed its name to DNB Bank ASA in November 2011. The most relevant Norwegian legislation applicable to Norwegian commercial banks is:

- the Public Limited Liability Company Act of 1997 ("**PLCA**");
- the Norwegian Financial Supervision Act of 1956, which regulates the supervision of, among other things, financial institutions and investments firms by the Financial Supervisory Authority of Norway (the "**NFSA**"); and
- the Financial Institutions Act.

### Supervisory and Other Regulatory Authorities

Several governmental bodies are responsible for administering legislation governing financial institutions in Norway.

#### *The Ministry of Finance*

The Ministry of Finance grants all licences to engage in banking activities. The Ministry of Finance also issues regulations pursuant to the Financial Institutions Act on many important issues relating to financial institutions, including capital adequacy ratios. The Ministry of Finance may revoke any licence to engage in banking and insurance activities for violations of applicable laws and regulations.

#### *Finanstilsynet (The Financial Supervisory Authority of Norway, or NFSA)*

The NFSA was created pursuant to the Act on Financial Supervision of 7 December 1956 No. 1, which sets forth the responsibilities and powers of NFSA. The NFSA is an independent governmental entity with its own administrative staff and a board of directors. However, the Ministry of Finance oversees the activities of the NFSA and administrative decisions made by the NFSA may be appealed to the Ministry of Finance.

The NFSA's mission is to ensure that financial institutions and financial markets in Norway function safely and efficiently. It establishes general rules and regulations for the entire financial industry in Norway and grants licences to all financial institutions and limited licences to certain other companies, for example companies providing payments services. Certain amendments to the articles of association of such institutions must be approved by the NFSA.

The NFSA is responsible primarily for supervising and inspecting, *inter alia*, banks, insurance companies, financing companies, securities brokerage firms, collective investment fund management companies, real estate brokers, debt collectors, auditors, accountants, insurance brokers and financial holding companies.

#### *Norges Bank*

Norges Bank is the executive and advisory body for Norwegian monetary, credit and foreign exchange policy. Norges Bank is a separate legal entity owned by the Norwegian government. Norges Bank carries out ordinary and central bank functions and has important functions in relation to the banking sector. Norges Bank is required to ensure that the financial system functions satisfactorily and may provide liquidity loans and make deposits with banks. Norges Bank also carries out money market operations.

## Regulatory Framework in Norway

### *Overview*

The Bank and its subsidiaries are subject to the supervision of the NFSA. The NFSA prepares and/or issues regulations and supervises the operations of Norwegian financial institutions, among other things with regard to capital adequacy, accounting, governance structures and risk control and procedures. The NFSA has a range of tools to facilitate its supervision, such as the right to carry out site visits, and to interview the employees of an institution under its supervision and inspect the books and record of such institutions. In the event that the NFSA considers the operations of an institution to be unsound or that the institution is in breach of applicable laws or regulations within the NFSA's jurisdiction, it may impose administrative sanctions on that institution, and it may also revoke the institution's licence to operate.

Norway is not a member of the EU, but as a member of the EEA, it has implemented almost all relevant EU directives and regulations relating to financial services in its local legislation.

### *Authorisations*

Under Norwegian law, any institution that accepts deposits from the general public and provides credit must obtain a banking licence. The Bank, as a savings bank, was originally granted a licence according to the Norwegian Savings Bank Act of 24 May 1961 No. 1. However, since its conversion into a public limited company, the Bank is subject to the ongoing regulatory requirements of the Financial Institutions Act.

### *Regulation of Banking and Insurance Activities*

The Financial Institutions Act (*Finansforetaksloven*) entered into force on 1 January 2016. The Financial Institutions Act contains rules on incorporation, articles of association and share capital, governing bodies, business and dissolution/liquidation of commercial banks. The Financial Institutions Act also contains a requirement that banks shall make sure that the relation between market risk and other risk concerning the enterprise's total assets, shares, equity certificates and other assets, including assets which consists of real estate, and the enterprise's core capital is justifiable.

A commercial bank may engage in all the business and services customary or natural for banks, and shall not conduct any activities other than what follows from applicable rules, the licence and the financial institution's articles of association, pursuant to the Financial Institutions Act section 13-1. However, under the Financial Institutions Act section 13-9, a bank may, without violating the Financial Institutions Act section 13-1, have qualified holdings (more than 10 per cent. of the capital or the votes) in enterprises which cannot be part of a finance group so long as the reported value of the holding does not exceed 15 per cent. of the bank's own funds pursuant to the last quarterly or yearly accounts. Such holdings may not in the aggregate exceed 60 per cent. of a bank's own funds. The abovementioned does not prevent the bank from temporarily operating or participating in the operation of such business to the extent necessary for the bank to recover a claim.

As a commercial bank, the Bank is subject to a number of specific rules under the Financial Institutions Act. According to these rules, the articles of association of the Bank must initially be approved by the NFSA. The same applies to certain types of amendments to the articles of association pursuant to Section 7-2 of the Financial Institutions Regulation. Furthermore, according to Section 10-4 of the Financial Institutions Act, the Bank's equity may not be increased, decreased or repaid by means other than through distribution of retained profits, unless approved by the NFSA. Resolutions regarding a decrease, increase or repayment of share capital are only valid when approved by the NFSA. An exemption from the requirement of approval is made in Section 10-2 of the Financial Institutions Regulation for increases in share capital of the Bank made in cash. Moreover, under the Financial Institutions Act Section 10-6, the distribution of share capital, dividends, owner's shares and primary capital shall not be set higher than what is deemed proper and compatible with prudence and standards of fair dealing, taking into annual results, potential future losses or the need for further capital in the financial institution. Resolutions regarding a decrease, increase or repayment of share capital are only valid when approved by the NFSA.

Risk and capital assessments in DNB Livsforsikring AS are based on requirements under Solvency II. The capital requirement is risk-sensitive and aims to reflect the insurance companies' actual risk. The total risk consists of market risk (63 per cent.), insurance risk (23 per cent.), health risk (9 per cent.) and operational risk (4 per cent.) at 31 December 2022. The solvency ratio is sensitive to interest rates, volatility adjustment, repricing, change in best estimates and effect of changed market values. Insurance risk in DNB Livsforsikring includes mortality, longevity, disability, health and disaster risk. Longevity and disability and pure endowment constitute 47 per cent. of the total insurance risk.

The Norwegian FSA has approved the use of transitional rules to fulfil the Solvency II capital requirement from 1 January 2016. The only transitional rule in use for DNB Livsforsikring is the 16-year transition period for the implementation of market valuation of liabilities. According to this rule, DNB Livsforsikring may use book values of the obligations for a transitional period of 16 years. The rule will be phased out by one-sixteenth per year from 1 January 2016. This rule has a relatively strong effect in periods with low interest rates, due to the gap between interest rates and guaranteed returns under the insurance products.

***Capital Requirements***

Norwegian banks are subject to ongoing capital adequacy requirements, which implement EU Directives based on the Basel III regime.

*Capital adequacy and liquidity requirements – Background*

At the international level, a number of regulatory and supervisory initiatives have been implemented in recent years in order to increase the quantity and quality of capital, and raise liquidity levels in the banking sector. Among such initiatives are a number of specific measures proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**") and implemented by the EU through CRD IV and CRR (each as defined below).

In 2013, the EU adopted a legislative package to strengthen the regulations of the banking sector and to implement the Basel III agreement in the EU legal framework, which resulted in increased capital requirements. This package included the CRD IV and the CRR.

On 29 March 2019 the CRD IV and the CRR were incorporated into the Agreement on the European Economic Area, which entered into force on 1 January 1994, (the "**EEA Agreement**"). Subsequently the Norwegian parliament passed amendments to the Financial Institutions Act and the Ministry of Finance adopted changes to CRR/CRD IV implementing the CRD IV and the CRR in Norwegian law. Legislation implementing the CRD IV and the CRR for Norwegian institutions entered into force on 31 December 2019, implementing CRR as is and reflecting the provisions of CRD IV not already implemented in Norwegian legislation.

On 23 November 2016, the European Commission published a package of legislative proposals providing for reform of the prudential and resolution frameworks for EU banks and credit institutions. These proposals covered amendments to the CRR, the CRD IV, the BRRD and Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism for the Banking Union. Following negotiations between the European Commission, European Parliament and European Council, the final legislation implementing these proposals was published in the Official Journal of the EU on 7 June 2019. The legislation consists of Regulation (EU) No. 2019/876, Directive (EU) No. 2019/878, Directive (EU) No. 2019/879 and Regulation (EU) No. 2019/877 and came into force on 27 June 2019 (the "**EU Banking Reform Legislation**"), with certain provisions applying from 27 June 2019 and other provisions gradually being phased in and/or being subject to national implementation.

The EU Banking Reform Legislation covers multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, the MREL (as defined below) framework and the integration of the Financial Stability Board's proposed minimum total loss-absorbing capacity into EU legislation.

On 11 June 2021, the CRD V, CRR 2 and BRRD 2 were implemented under Norwegian law. As a result, these amendments entered into force from 1 June 2022.

*Capital adequacy and liquidity requirements – Norwegian requirements*

*Pillar 1 Minimum Capital Requirements and buffer requirements*

The capital adequacy requirements for banks in Norway as at the date of this Prospectus consist of two pillars. Pillar 1 encompasses minimum capital requirements that are applicable generally to banks. As per the provisions of the Financial Institutions Act, banks must hold capital at least equal to 8 per cent. of their Risk Exposure Amount, within which at least 4.5 per cent. must be common equity tier 1 capital and at least 6 per cent. must be tier 1 capital.

In addition, the Financial Institutions Act imposes various capital buffer requirements which must be met by Norwegian financial institutions, all consisting of common equity tier 1. As of the date of this Prospectus, the capital buffer requirements consist of (i) a conservation buffer of 2.5 per cent. of the Risk Exposure Amount, (ii) a systemic risk buffer of 4.5 per cent. of the Risk Exposure Amount (on Norwegian exposures, further described below) and (iii) a counter-cyclical buffer of 2.5 per cent. of the Risk Exposure Amount (on Norwegian exposures, further described below). In addition, financial institutions (including the DNB Group as a whole and the Bank) which the Norwegian authorities have designated as systemically important must also comply with a buffer for systemically important financial institutions of 2 per cent. of the Risk Exposure Amount in order to mitigate systemic risk. The buffer requirements may change over time, including as discussed further below.

Under CRD IV, each Member State is responsible for setting a counter-cyclical buffer rate applicable to exposures in its own jurisdiction. The relevant authorities in the other Member States are required to apply such rate to the exposures in that jurisdiction of the banks which they regulate (with discretion whether to recognise a rate higher than 2.5 per cent. of REA). The counter-cyclical buffer rate applicable to a particular bank will be the weighted average of the counter-cyclical buffer rates in those jurisdictions where such bank has exposures from time to time (with the bank's home relevant authority determining the applicable counter-cyclical buffer rate for exposures in jurisdictions outside the EU or in any EU jurisdiction where the relevant authority has not set a counter-cyclical buffer rate).

Norwegian law provides that the Norwegian counter-cyclical buffer rate will be applicable in relation to a Norwegian bank's exposure both in Norway and in any EEA jurisdiction or any other jurisdiction which has not set a counter-cyclical buffer rate, and that for a bank's exposure in any EEA jurisdiction or any other jurisdiction where the relevant local authority has set a counter-cyclical buffer rate such rate shall be applied unless the Norwegian Ministry of Finance decides otherwise. The DNB Group's effective counter-cyclical buffer rates are calculated as the weighted average of the buffer rates for the countries where the DNB Group has credit exposures.

The level of the counter-cyclical buffer will be re-assessed by Norges Bank and the relevant authorities in each other Member State each quarter and may result in an increase or a decrease in the rate. A decision to increase the requirement may normally take effect no earlier than 12 months following such decision, whereas a decrease may take effect immediately.

As of the date of this Prospectus, the counter-cyclical risk buffer in Norway is 2.5 per cent. The DNB Group's effective counter-cyclical buffer rate is calculated as the weighted average of the buffer rates for the countries where the DNB Group has credit exposures. Since several countries in which the DNB Group has exposures have set the requirement lower than the requirement in Norway, the DNB Group's effective counter-cyclical buffer rate requirement was approximately 2.2 per cent. as of 30 June 2023.

As of the date of this Prospectus, the systemic risk buffer in Norway is 4.5 per cent. The DNB Group's effective systemic buffer rate is calculated as the weighted average of the buffer rates for the countries where the DNB Group has credit exposures. Since several countries in which the DNB Group has exposures have set the requirement lower than the requirement in Norway, the DNB Group's effective systemic buffer rate requirement was approximately 3.2 per cent. as of 30 June 2023.

*Pillar 2 requirements*

CRD IV permits regulators to require the banks which they regulate to hold additional capital, often referred to as "**Pillar 2**" capital requirements. The NFSA's Pillar 2 requirements are in addition to the Pillar 1 requirements and are expected to reflect institution-specific capital requirements relating to risks which are not covered or only partly covered by Pillar 1. In September 2022, the NFSA published a circular no. 3/2022 describing its Supervisory Review and Evaluation Process ("**SREP**") process and providing information related to the methods and assessment criteria used during the process. The circular was updated as a result of new guidelines issued by the EBA and amendments to CRD V, and now states that parts of the Pillar 2 requirement can be met using a combination of Tier 1 and Tier 2 capital.

In addition, on 1 November 2022, the NFSA published an evaluation of Norwegian and international practices for setting Pillar 2 requirements. The NFSA also drafted a consultation paper with a proposal for implementation of the provisions in the Capital Requirements Directive (CRD V) regarding Pillar 2 in Norwegian rules and legislation. The proposal primarily entails a clarification and specification of Norway's EEA obligations under CRD V. The draft Norwegian regulations are consistent with the provision in CRD V that requires institutions to meet the Pillar 2 requirement with CET1 capital of at least 56.25 per cent. and Tier 1 capital of at least 75 per cent., and that any requirement of higher capital quality must be justified on the grounds of specific circumstances at the institution. The Ministry of Finance has circulated the proposal for public consultation. The Ministry has previously pointed out that considerations relating to the rule of law may indicate that the parameters for the Pillar 2 process should to a greater extent than today be laid down in rules and legislation.

Further to the NFSA's SREP for 2022, the NFSA announced on 14 November 2022 that the Pillar 2 requirement for the Bank and the DNB Group had been set at 2.1 per cent. of REA. In line with Article 104a of the Capital Requirements Directive, the Pillar 2 requirement must be fulfilled with approximately 1.2 per cent. (minimum) common equity tier 1 capital, approximately 0.4 per cent. additional tier 1 capital and approximately 0.5 per cent. tier 2 capital. Further, the NFSA also advised that the Bank and the DNB Group should hold a common equity tier 1 capital buffer ("**Pillar 2 Guidance**") of not less than 1.5 per cent. on top of the total common equity tier 1 capital requirement. The updated Pillar 2 requirement and Pillar 2 Guidance have applied since 31 December 2022.

As of 30 June 2023, the supervisory expectation (including the Pillar 2 guidance) for the CET1 ratio is 17.1 per cent. and 17.0 per cent. for the DNB Group and the Bank, respectively. The supervisory expectation plus some headroom will be DNB's target capital level. The headroom will reflect expected future capital needs including market-driven CET1 fluctuations.

*Leverage requirements*

The Basel III framework also provides for capital requirements based on total (i.e. non-risk weighted) assets, referred to as leverage ratio requirements. Prior to the implementation of the banking package in Norway on 1 June 2022, the leverage ratio requirement was in total 6 per cent., consisting of a general leverage ratio requirement of 3 per cent., plus a general buffer requirement of 2 per cent. for banks and an additional buffer requirement of 1 per cent. for systemically important banks. Upon the implementation of the banking package in Norway on 1 June 2022, the 2 per cent. and the 1 per cent. buffer requirements were removed. Thus, in Norway, as of the date of this Prospectus, the current requirement according to the Financial Institutions Act and the Financial Institutions Regulation is for banks, financial institutions, holding companies in financial groups and investment firms that provide certain investment services, to hold a leverage ratio of minimum 3 per cent. The Bank expects, however, that the NFSA in the near future will seek to increase the leverage ratio requirements through the SREP process or otherwise. As at 30 June 2023, the leverage ratio of the Bank and the DNB Group was 6.8 per cent. and 6.6 per cent, respectively.

Any entity which does not comply with the requirements in the Financial Institutions Act and the Financial Institutions Regulations is required, according to the Financial Institutions Act §14-6 (3), immediately to rectify such breach. Further, upon such breach, or if there is reason to believe that the entity will breach such requirement in the near future, the NFSA may invoke certain measures, including restricting dividend payments and interest payments on AT1 instruments.

*Liquidity requirements*

The Basel III framework also aimed to raise liquidity levels in the banking sector. CRD IV includes requirements relating to the liquidity coverage ratio (the "**LCR**"). The Norwegian Ministry of Finance has introduced a LCR requirement of 100 per cent. for each significant currency. However, due to the limited size of the domestic capital market, for banks that have U.S.$ and/or euro as other significant currencies, the minimum LCR for NOK is reduced to 50 per cent., with the difference being made up in additional U.S.$ and/or euro requirements. As a result and to ensure compliance with changes in these rules, the DNB Group may need to hold additional liquid assets, which may have an adverse effect on its results of operations or financial condition.

A net stable funding ratio ("**NFSR**") has also been proposed with the Basel III framework. This ratio seeks to calculate the proportion of long-term assets which are funded by long-term stable funding, and Norway formally implemented NSFR liquidity rules on 1 June 2022. The Norwegian FSA had until the formal implementation set NSFR requirements based on the Basel Committee's final recommendations as of 2014.

*Bank winding up and crisis management*

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (as amended, the "**Bank Recovery and Resolution Directive**" or "**BRRD**", which terms shall, where the context admits, include that Directive as amended or superseded from time to time, including (without limitation) by Directive (EU) 2019/879) entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity ("**relevant entities**" being credit institutions, investment firms, certain financial institutions and certain holding companies) so as to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system.

The BRRD, under its terms, was required to be applied by Member States from 1 January 2015, except for the general bail-in tool (see below) which was required to be applied from 1 January 2016. The BRRD was incorporated in the EEA Agreement in February 2018 and legislation implementing the BRRD in Norway was passed in the Norwegian Parliament in March 2018 and entered into force from 1 January 2019 at Chapter 20 of the Financial Institutions Act. The amendments made to BRRD by Directive (EU) 2019/879 were implemented in Norway on 1 June 2022. The legislation set forth that any further possible supplements and regulation of the details for the implementation of the BRRD and related technical standards can be determined through regulations passed by the Ministry under the Financial Institutions Act. On 20 December 2018 the Ministry of Finance adopted changes to the Regulations on financial institutions and financial groups of 9 December 2016 No. 1502 ("**Financial Institutions Regulation**") setting forth general rules for MREL (see further below).

Following entry into force of the BRRD in Norway on 1 January 2019, the Bank and the DNB Group are now subject to its resolution tools and powers. The BRRD contains four resolution tools and 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: (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 impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in which gives resolution authorities the power to write down certain claims, which would include claims in respect of securities such as the Notes, of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and/or to convert certain unsecured debt claims, which would include securities such as the Notes, to equity or other instruments of ownership (the "**general bail-in tool**"), with such equity or other instruments also being subject to any future cancellation, transfer or dilution.

The BRRD also provides for a Member State, in the event that the above resolution tools alone are insufficient to maintain financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

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

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write down or convert into equity capital instruments at the point of non-viability and before any other resolution action is taken ("**non-viability loss absorption**"). Any shares issued to holders of capital instruments upon any such conversion into equity may also be subject to any further cancellation, transfer or dilution.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or its group will no longer be viable unless the relevant capital instruments are written-down or converted or (iii) extraordinary public financial support is required by the relevant entity other than, where the entity is an institution, for the purposes of remedying a serious disturbance in the economy of a Member State and to preserve financial stability.

*MREL*

Under the BRRD there is also a requirement for EU financial institutions to hold certain minimum levels of own funds and other eligible liabilities ("**MREL**") which would be available to be written down or bailed-in in order to facilitate the rescue or resolution of a failing bank. Such requirements came into effect (subject to transitional provisions) in the EU from 1 January 2016. Regulation (EU) 2016/1450 of 23 May 2016 supplementing Directive 2014/59/EU of the European Parliament and of the Council sets forth draft regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities. In Norway, the MREL requirement is set by the NFSA. On 20 December 2018 the NFSA adopted changes to the Financial Institutions Regulation implementing general rules for Norwegian MREL requirements.

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

In December 2017, an EU Directive was published which required Member States to change their insolvency laws by the end of 2018 to create a new class of 'non-preferred senior' creditors in the creditor hierarchy. This new class is designed to form part of the senior unsecured class, ranking ahead of tier 2 capital and other subordinated debts, but ranking behind ordinary senior unsecured debts. It is intended that instruments issued as part of the new class should (subject to satisfaction of the other requisite criteria) constitute 'eligible liabilities instruments', being instruments which are not own funds (i.e. tier 1 or tier 2 capital) but are eligible for inclusion in MREL.

In Norway, the MREL requirement is set by the NFSA. The DNB Group is required to hold total MREL capital equal to approximately 38 per cent. of REA (adjusted for REA stemming from DNB Boligkreditt AS as the covered bond entity), leading to a total need for MREL eligible debt of approximately EUR 16 billion. Out of this, approximately EUR 9 billion will need to be issued in the form of senior non-preferred debt, while the remaining part can be issued in the form of senior preferred debt. Senior preferred debt issued by the Bank with a minimum remaining tenor of one year will continue to qualify as MREL capital until 1 January 2024.

*Further Basel III changes*

On 27 October 2021, the European Commission presented a regulatory proposal introducing the last part of the international Basel III recommendations in the EU, in the form of a proposed Regulation (CRR 3) and Directive (CRD VI), also known as the 2021 EU Banking Package. The new rules include a new standard method for calculating capital requirements for credit risk that is more risk sensitive. A new output floor is also introduced for banks using the IRB (internal ratings-based) approach. The new output floor sets a lower limit on the capital requirements that banks calculate when using internal models. According to the new output floor, the value of risk exposure amount must not be set lower than 72.5 per cent. of what they would have been calculated as under the new standardised approach. The European Commission proposes to introduce the new rules from 1 January 2025. The new output floor for capital requirements for banks using the IRB approach is to be introduced gradually from 1 January 2025, over a five-year period The European Council adopted its negotiating position in November 2022, while the European Parliament agreed on its position in February 2023. The trilogue negotiations began in early March 2023.

***Limitations on Large Exposures***

CRR is implemented in Norway and contains restrictions on financial institutions' large exposures. As a general rule, financial institutions shall not incur an exposure, after taking into account the effect of certain credit risk mitigation, to a client or group of connected clients the value of which exceeds 25.0 per cent. of its eligible capital.

***Regulation of Investment Services Provided by the Bank (DNB Markets)***

The Bank also holds a licence as an investment firm and is therefore also regulated by the Securities Trading Act. The investment services provided by the Bank (other than investment advice) are performed by DNB Markets, which is a department within the Bank and not a separate legal entity. The Securities Trading Act and adherent regulations implement the EEA rules corresponding to MiFID II.

***Deposit Guarantee Schemes***

The Financial Institutions Act requires that all savings banks and commercial banks incorporated in Norway shall be members of the Norwegian Banks' Guarantee Fund. The Guarantee Fund provides a deposit guarantee of NOK 2 million per depositor per bank, should a member bank be unable to meet its commitments. However, savings received by members of the Norwegian Bank's Guarantee Fund through a branch established in another EEA state or through cross border activities in another EEA state is limited to a deposit guarantee of EUR 100,000 in accordance with the deposit guarantee level stipulated in Directive 94/19/EC.

**Regulatory Developments**

***Regulation of Banks' Lending Practices***

With effect from 1 January 2021, the Home Mortgage Regulations and the Consumer Loan Regulations, together governing lending activities in Norway, were combined in a joint Lending Regulation that will, unless extended or cancelled, be in effect until 31 December 2024. The regulation sets forth certain restrictions and requirements on lending to personal customers, including total debt serving capacity, leverage ratio, loan to value and amortization, which limit banks' discretion in lending decisions. The regulation was revised in the fall of 2022, with the following changes to note that took effect from 1 January 2023:

- The interest stress test for residential mortgages was changed from 5 percentage points in all instances to 3 percentage points, however, the interest used for the calculation should never be lower than 7 per cent. This means that if the market interest rate is higher than 4 per cent., the calculation should be made at the market interest rate plus 3 percentage points, and if the market interest rate is lower than 4 per cent., the calculation should be made with an interest rate of 7 per cent.

- Specific requirement of maximum LTV of 60 per cent. for residential mortgages in Oslo no longer applicable.
- The regulation is only applicable for consumers.

As from 1 July 2023, the regulation will also include mortgages with security in other assets than houses, for example cars and boat loans.

*New Financial Contracts Act*

The new Financial Contracts Act, governing the relationship between banks and their customers, was adopted by the Norwegian Parliament in December 2020. The Act entered into force on 1 January 2023. The new Act is based on the previous one, with comprehensive amendments, including those related to consumer protection and technology. Due to the scope and complexity of the Act, the DNB Group established a fast-working Group project in the summer of 2020, to identify the need for adjustments to systems, products and services.

*Changes in capital requirements for banks*

After being increased to 2.5 per cent. with effect from 31 December 2019, the Ministry of Finance announced on 13 March 2020, following advice from Norges Bank, as one of its COVID-19 measures, to reduce the counter-cyclical buffer to 1 per cent. with immediate effect. On 16 December 2021, Norges Bank decided to increase the counter-cyclical buffer requirement to 2.0 per cent. with effect from 31 December 2022 and on 24 March 2022, Norges Bank decided to increase the counter-cyclical buffer requirement to 2.5 per cent. with effect from 31 March 2023. The DNB Group's effective counter-cyclical buffer rate is the weighted average of the buffer rates for the countries where the DNB Group has credit exposures. Since several countries in which the DNB Group has exposures have set the requirement lower than the requirement in Norway, the DNB Group's effective counter-cyclical buffer rate requirement was approximately 2.2 per cent. as of 30 June 2023.

*New rules on securitization*

On 23 April 2021, the Norwegian parliament implemented the EU Regulation 2017/2402 (which laid down a general framework for securitisation), by way of amendments in the Norwegian Financial Institutions Act. It is uncertain when the amendments will enter into force.

*Credit information companies will enable better credit assessments*

As of November 2022, three debt information companies are operational in Norway, and all banks licenced to provide unsecured loans are obliged to furnish these companies with information about established loan agreements and credit line agreements. The debt information services are intended to function as an aid for both customers and banks. It is now easier for customers to get an overview of their own debt situation, and banks can easily check the actual amount of debt a loan applicant has. Banks can thus conduct a better credit assessment of customers seeking loans, which may prevent consumers from taking up more debt than they can service.

*PSD2 and Open Banking*

The EU's revised payment services directive, PSD2, has been implemented in Norway. The directive was mainly implemented in the Norwegian Financial Institutions Act and the Payment Services Regulations in March 2019. The technical regulations for secure customer authentication came into force on 14 September 2019, and this, in effect, marked the start of the provision of third-party services related to account information and account-to-account payments in Norway. The DNB Group is actively working to position the Bank with a view to protecting its existing business operations, while making the most of the potential and reducing the disadvantages of Open Banking.

*Regulatory sandbox established to facilitate innovation*

The NFSA has created a regulatory sandbox for the fintech industry. The sandbox will give businesses the opportunity to test new products and services on a small scale under close supervision by the NFSA, the aim being that the sandbox will contribute to technological innovation and the entry of more new players in the market. The sandbox is also intended help enhance the NFSA's understanding of new technological solutions and business models, and make it easier to identify potential risks or the need for regulatory changes at an early stage. Several firms have taken part in the sandbox since initiation.

*Tax advisors' disclosure obligation and duty of confidentiality*

In the Official Norwegian Report NOU 2019:15, the so-called Skatterådgiverutvalget (tax advisors committee) proposed that a new disclosure obligation be imposed on the Norwegian tax authorities. The disclosure obligation would apply to both tax advisors and customers, who would be obliged to disclose information about tax arrangements that pose a risk of aggressive tax planning, in line with international recommendations (BEPS). The committee proposed to implement this in Norway in the same manner as in the EU, to a large extent based on the EU Council Directive DAC 6. The proposal is comprehensive and would primarily have consequences for lawyers, accountants and others who offer tax advice. Financial institutions may also become subject to the disclosure obligation, should it be enacted into law. The report has been circulated for public comment. It is yet uncertain whether the Ministry of Finance will propose that the disclosure obligation be enacted into law.

*Possible new guidelines on IRB models*

On 9 June 2021, the NFSA published a circular (3/2021) that is intended to guide banks on the NFSA's practice for approval and supervision of internal ratings-based ("**IRB**") models. DNB's assessment is that the circular does not imply a significant immediate change to DNB's current regulatory capital adequacy or capital requirement. Nevertheless, the circular contains several deviations from the current EU regulations that have the potential to result in more conservative risk weights and capital requirements. Such changes may have a significant impact over time as the NFSA starts to incorporate these guidelines in its supervision.

In particular, the circular highlights the NFSA's view on the calculation of the effective maturity parameter (M), which is used, among other things, in the risk weight calculation for the financing of commercial property. The NFSA's concern is that this parameter may, under certain circumstances, in addition to the contractual maturity, reflect potential refinancing risk. The NFSA is of the view that that the actual maturity of a loan could exceed the original contractual agreement in certain cases, and the NFSA therefore expects banks to include this interpretation when calculating the M parameter. The NFSA points out that unless this is accounted for in the M parameter in regular capital adequacy reporting, it shall be assessed as part of the Pillar 2 process. Following a request from Finance Norway, which pointed out that the circular is not in accordance with applicable EU directives/regulations, the Ministry of Finance made clear in a letter to the NFSA dated 13 January 2022 that any decisions based on the circular would need to be based on the Norwegian act or regulation implementing the applicable EU/EEC rule.

*Update of methodology for calculated expected losses in stage 3*

The DNB Group has updated the methodology for estimating the expected credit loss (ECL) for credit-impaired financial instruments (stage 3) for customers with an exposure above NOK 50 million. The purpose is to be able to better reflect the actual solutions under consideration for customers in financial difficulties. The new methodology increases the number of scenarios that need to be assessed. The ECL is estimated based on the weighted ECL of the different scenarios. The scenarios should represent the actual scenarios for a customer in financial difficulties, but the main rule is that three different scenarios are to be considered, 1) going concern, 2) restructuring and 3) liquidation. The changes made in the updated methodology will not have a material impact on the DNB Group's ECL estimate.

*New Act on sustainability-related disclosures*

In December 2021, the Norwegian Parliament adopted a new act (the "**Sustainable Finance Act**") that implements the EU Regulation on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation – SFDR) and the EU taxonomy for sustainable activities (Taxonomy Regulation) in Norwegian law. Among other things, the act requires banks, insurance undertakings and listed companies with more than 500 employees to include information in their annual reports on the extent to which their activities can be classified as sustainable under the EU taxonomy. The Sustainable Finance Act entered into force on 1 January 2023. Banks and other financial undertakings will report their taxonomy alignment from 2024 for financial year 2023. On 22 May 2023, the Norwegian Ministry of Finance started a public consultation on its white paper discussing the implementation of the Corporate Sustainability Reporting Directive ("**CSRD**") into Norwegian Law. The public consultation closes on 4 September 2023, after which the Norwegian Ministry of Finance will propose a legislative bill to the Norwegian Parliament. It is uncertain whether the CSRD reporting requirements in Norway will follow the EU timeline.

*Norwegian Transparency Act*

In July 2022, the Norwegian Transparency Act (the "**Transparency Act**") entered into force. The Transparency Act requires large Norwegian companies to conduct due diligence activities concerning human rights and working conditions within their own supply chain and introduces corresponding transparency requirements. Companies that fall within the scope of this new law will be required to conduct human rights due diligence procedures within their own businesses, publicly account for their due diligence through an annual statement, and provide information to stakeholders upon request. The Transparency Act applies to the Bank.

*Amendments related to rules on guaranteed pension products*

The Norwegian parliament (the "**Storting**") has adopted a bill on amendments to the rules and legislation relating to guaranteed pension products, which covers defined-benefit pension schemes, paid-up policies and individual pension products with guarantees. The amendments entered into force on 1 January 2022. They entail, among other things, allowing pension providers to offer compensation corresponding to the value of the guaranteed rate of return if policyholders wish to convert ordinary, paid-up policies into insurance policies with investment options. The limits for reducing the disbursement period for low annual pension payments are to be extended somewhat, and it will become easier to transfer small accumulated pension entitlements from defined-benefit schemes to individual pension schemes, instead of having a paid-up policy issued. The amendments are intended to give greater freedom of choice and flexibility both for customers and for pension providers. The Storting has also decided to introduce mandatory accrual of occupational pension on the entire salary amount, as well as to reduce the maximum deduction for tax-favourable individual pension saving from NOK 40,000 to NOK 15,000.

*IFRS 17*

In May 2017, the IASB issued the new standard IFRS 17 Insurance Contracts, which replaces IFRS 4 Insurance Contracts and sets out new principles for recognition, measurement, presentation and disclosures of insurance contracts. In June 2020, the IASB adopted some amendments to the standard. The standard was endorsed by the EU in November 2021, but with an optional exception from the requirement for annual cohorts ('carve-out') for life insurance contracts that have certain characteristics. The standard is effective for reporting periods beginning on or after 1 January 2023, with a requirement for comparable figures.

The new set of rules entails a new measurement method for the DNB Group's life insurance liabilities, whereby estimated future cashflow in the insurance contracts will be discounted using a marked-based interest rate. This affects the transition effect as at 1 January 2022, recognised liabilities, and future profit and loss. There will also be significant changes from the current presentation in the income statement, where operating expenses relating to insurance contracts under the new rules are included in net operating income in the income statement, compared with current presentation under operating expenses.

Impact for the DNB Group

The DNB Group applies IFRS 17 from 1 January 2023. At the same time, the DNB Group changed measurement of some financial instruments under IFRS 9.

The new accounting rules will have an effect on the DNB Group's consolidated accounts, and the rules will mainly affect the measurement and presentation of the DNB Group's insurance contracts held by DNB Livsforsikring. The rules are not being introduced in the company accounts for DNB Livsforsikring. The transition to IFRS 17 does not therefore affect DNB Livsforsikring's capitalisation, tax base or dividend capacity. There are no changes in the underlying business model, operations or strategy as a result of the introduction of IFRS 17.

The full implementation effect of IFRS 17, as well as the effect of the changed measurement of financial instruments, is NOK 9,836 million after tax, and will reduce the DNB Group's equity at the time of the transition on 1 January 2022 accordingly. Compared with the situation under the previous rules, the one-time effect on equity is expected to be compensated for by positive results in future periods.

The transition to IFRS 17 does not affect the DNB Group's CET1 capital, and thus does not affect the DNB Group's capital adequacy, leverage ratio, maximum distributable amount (MDA) or dividend capacity.

*State loan guarantee programme for the business sector*

In October 2022, the Norwegian Ministry of Finance proposed to the Storting certain financial measures in response to the repercussions of the war in Ukraine and the resulting rise in energy costs. These proposed measures included, among others, the establishment of a temporary compensation scheme addressing energy costs and a temporary loan guarantee programme for business sectors. The purpose of the proposed loan guarantee programme, which would be managed by Export Finance Norway, is to provide companies in energy-intensive industries access to bank loans.

Under the programme, when new bank loans are issued to companies facing acute liquidity shortages resulting from sharp increases in energy prices, the Norwegian Government would provide a guarantee for 90 per cent of the loan amount. The proposition sets a guarantee limit of NOK 1 billion in addition to an allocation for impairment provisions of NOK 200 million. The EFTA approved the proposition in November 2022 and the programme was operational from 9 November 2022.

*Proposal to prohibit soft commissions*

To ensure increased transparency in the savings market, the NFSA has proposed introducing a ban on receiving or providing soft commissions when distributing savings products to retail clients. This will, for example, mean that distributors of savings products will no longer be able to receive soft commissions. In the NFSA’s view, a ban will ensure that conflicts of interest are handled in a better way and will make it easier for consumers to compare prices.

DNB Asset Management has decided to implement the proposed restrictions on distribution fees and has amended its articles of association of its retail funds distributed in Norway accordingly. This means that neither DNB Bank ASA nor DNB Asset Management's other distributors in Norway will be able to receive soft commissions.

The public hearing for the proposal expired 18 November 2022. As of the date of this Prospectus, the Ministry has yet to publish their assessment of the proposal.

*Norwegian government's white paper on state ownership*

In October 2022, the Norwegian government presented a white paper to the Norwegian Parliament which introduced the facilitation of a sustainable transition and increased value creation as new rationales for state ownership. Sustainability considerations have also been clarified and reinforced in the Norwegian government's goals as owner. For companies that operate in competition with others, such as the DNB Group, the goal is the highest possible return over time within sustainable limits.

The report also launches a new principle for remuneration of senior executives. It introduces an expectation that companies provide a special explanation if salary adjustments for senior executives exceed the adjustments for the company's other employees. The Norwegian government also expects companies to reduce the maximum amount of variable pay achievable for senior executives from 50 to 25 per cent. of their full salary.

# TAXATION

*Prospective purchasers of Notes are advised to consult their tax advisers as to the tax consequences under the tax laws of the country of which they are resident of a purchase of Notes, including, but not limited to, the consequences of receipts of interest and sale or redemption of Notes.*

***The following descriptions are general summaries of certain taxation matters based on applicable law and practice currently in effect in the relevant jurisdictions. Nothing in this section constitutes tax, legal or financial advice, and the summaries contained herein are of a general nature and do not cover all aspects of taxation in the relevant jurisdictions that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications for them of an investment in the Notes.***

## NORWEGIAN TAXATION

Payments of principal and interest on the Notes issued to persons who have no connection with Norway other than the holding of such Notes issued by the Issuer are, under present Norwegian law, not subject to Norwegian tax, and may hence be made without any withholding tax or deduction for any Norwegian taxes, duties, assessments or governmental charges.

Capital gains or profits realised on the sale, disposal or redemption of such Notes by persons who have no connection with Norway other than the holding of the Notes are not, under present Norwegian law, subject to Norwegian taxes or duties.

Under present Norwegian law (i) no Norwegian issue tax or stamp duty is payable in connection with the issues of the Notes and (ii) the Notes will not be subject to any Norwegian estate duties.

Persons (both corporate entities and natural persons) considered domiciled in Norway for tax purposes will be subject to Norwegian income tax. on interest received in respect of the Notes. At the date of this Prospectus the income tax rate is 22 per cent. Likewise, capital gains or profits realised by such persons on the sale, disposal or redemption of the Notes will be subject to Norwegian taxation. Natural persons domiciled in Norway are further subject to general wealth tax, which is not described further in this summary.

## THE PROPOSED FINANCIAL TRANSACTION TAX

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (other than Estonia, the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced apply to certain dealings in financial instruments (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## SELLING RESTRICTIONS

DNB Bank ASA and Nordea Bank Abp are acting as Joint Lead Managers in connection with the offering of the Notes.

Subject to the terms and conditions set forth in a Subscription Agreement dated 13 September 2023 (the "**Subscription Agreement**") between the Issuer and the Joint Lead Managers, the Issuer has agreed to issue to the Joint Lead Managers and the Joint Lead Managers have jointly and severally agreed to purchase or procure purchasers for the Notes. The Issuer has, pursuant to the terms of the Subscription Agreement, agreed to pay the Joint Lead Managers certain commissions and to reimburse certain of their expenses in connection with their appointment as Joint Lead Managers, and has agreed to indemnify the Joint Lead Managers against certain liabilities incurred in connection with the issue of the Notes.

### Prohibition of sales to EEA Retail Investors

Each Joint Lead Manager has agreed that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### United Kingdom

#### *Prohibition of sales to UK Retail Investors*

Each Joint Lead Manager has agreed that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Notes to any retail investor in the UK. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (8) of Article (2) of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

#### *Other UK regulatory restrictions*

Each Joint Lead Manager has agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

**Norway**

Notes denominated in Norwegian kroner may not be offered or sold within Norway or outside Norway to Norwegian citizens abroad, without the Notes prior thereto having been registered in the Norwegian Central Securities Depository or in another central securities depository which is properly authorised and recognised by the Financial Supervisory Authority of Norway as being entitled to register the Notes pursuant to Regulation (EU) No. 909/2014.

**United States**

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

Each of the Joint Lead Managers has agreed that it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the "**distribution compliance period**"), within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act, and it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

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

**Japan**

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

**General**

No action has been or will be taken in any jurisdiction by either of the Joint Lead Managers or the Issuer that would or is intended to permit a public offering of the Notes, or possession or distribution of any offering documents or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

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

Prospective investors are also referred to the section headed "*Prohibition on Marketing and Sales to Retail Investors*" in this Prospectus.

## GENERAL INFORMATION

### 1. Approval, listing and admission to trading

The Central Bank has approved this document as a prospectus for the purposes of Article 6 of the Prospectus Regulation. Applications have also been made (i) to Euronext Dublin for the Notes to be admitted to trading on the regulated market of Euronext Dublin and to be listed on the Official List and (ii) to the Oslo Stock exchange, *Oslo Børs*, for the Notes to be listed on the regulated market of the Oslo Stock Exchange. The regulated market of Euronext Dublin and the Oslo Stock Exchange are regulated markets for the purposes of Directive 2014/65/EU. The total fees and expenses in connection with the admission of the Notes to trading on the regulated market of Euronext Dublin are expected to be approximately €7,240.

### 2. Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the General Assembly of the Bank passed on 25 April 2023.

### 3. Yield

The yield to (but excluding) the Reset Date of the Notes would (if the Notes were to be redeemed on the Reset Date and if all interest payments were to be paid in full without cancellation) be 7.697 per cent. on an annual basis. The yield is calculated as at the Issue Date on the basis of the issue price. It is not an indication of future yield.

### 4. Documents available

For as long as any of the Notes are listed on Euronext Dublin and/or the Oslo Stock Exchange, physical copies of the following documents may be inspected at and will be available, upon request, free of charge, from the registered office of the Issuer (where applicable, with an English translation thereof):

4.1 the constitutional documents of the Issuer;

4.2 this Prospectus and any amendment or supplement hereto (if any, to the extent published after the date hereof);

4.3 the Meetings Schedule referred to in the Terms and Conditions of the Notes; and

4.4 the documents deemed to be incorporated by reference in this Prospectus under "*Documents Incorporated by Reference*".

The above listed documents will also be available electronically for inspection at the following web address: (*https://www.ir.dnb.no/funding-and-rating/funding-programmes*).

In addition, this Prospectus will be published on the website of Euronext Dublin (*https://live.euronext.com*).

### 5. VPS system

The Notes have been accepted for registration in the VPS and the VPS entities are in charge of keeping the records. The ISIN code for the Notes is NO0013013888. The address of the VPS is Fred. Olsens gate 1, PO Box 1174 Sentrum, NO-0107 Oslo, Norway.

The Notes will be constituted by their issue in uncertificated, dematerialised book-entry form in the VPS. Legal title to the Notes will be evidenced by book entries in the records of the VPS. On the issue of the Notes, the Issuer will send a letter to the Account Manager (the "**VPS Letter**"), which letter will attach or refer to the Terms and Conditions of the Notes contained in this Prospectus. On delivery of a copy of the VPS Letter to the VPS and notification to the VPS of the subscribers and their VPS account details by the Joint Lead Managers, the account operator acting on behalf of the Issuer will credit each subscribing account holder with the VPS with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

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

Each person who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by the VPS as to the nominal amount of such Notes standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the VPS in accordance with its usual procedures and in which the holder of a particular nominal amount of such Notes is clearly identified together with the amount of such holding) shall be treated by the Issuer and each paying agent as the holder of such nominal amount of such Notes for all purposes.

The Notes are subject to the procedures in place between the Bank and DNB Bank ASA, Verdipapirservice acting as account manager for the Notes in the VPS.

## 6. Material change

Since 31 December 2022 (being the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been published), there has been no material adverse change in the prospects of the Issuer.

Since 30 June 2023 (being the last day of the financial period in respect of which the most recent unaudited interim financial statements of the Issuer have been published), there has been no significant change in the financial position or financial performance of the Issuer or the DNB Group.

## 7. Litigation

Save as disclosed in "*Description of the Bank and the DNB Group - Litigation*", neither the Issuer nor any member of the DNB Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer or the DNB Group.

## 8. Independent auditors

The Issuer's consolidated and non-consolidated financial statements at and for the years ended 31 December 2021 and 2022, in each case incorporated by reference in this Prospectus, have been audited by Ernst & Young AS, an independent public accounting firm, as stated in their report incorporated by reference herein. Ernst & Young AS has not audited, reviewed or produced any report on any other information in this Prospectus.

The address of Ernst & Young AS is Dronning Eufemias gate 6, P.O. Box 20, NO-0051 Oslo, Norway. Ernst & Young AS is a member of the Norwegian Institute of Public Accountants and is supervised by Norwegian Finanstilsynet which is recognised by the Swiss Federal Council.

## 9. Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) of the Issuer is 549300GKFG0RYRRQ1414.

## 10. Issuer website

The Issuer's website is www.dnb.no/en. Unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

## 11. Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the listing of the Notes on Euronext Dublin and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

## 12. Joint Lead Managers transacting with the DNB Group

In the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Bank and/or its affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Bank routinely hedge their credit exposure to the Bank, consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## REGISTERED OFFICE OF THE ISSUER

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