

## SECOND SUPPLEMENTARY BASE PROSPECTUS DATED 17 JUNE 2022



*(incorporated in Norway)*

**DNB Bank ASA**

**€45,000,000,000**

**Euro Medium Term Note Programme**

This Second Supplementary Base Prospectus (the "**Second Supplement**") to the Base Prospectus (the "**Original Base Prospectus**") dated 27 April 2022 (together with the First Supplementary Base Prospectus dated 6 May 2022, the "**Base Prospectus**") is prepared in connection with the Euro Medium Term Note Programme established by DNB Bank ASA (the "**Issuer**" or the "**Bank**"). This Second Supplement constitutes a supplementary prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). Terms defined in the Base Prospectus have the same meaning when used in this Second Supplement.

This Second Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Bank.

This Second Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Second Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of the Base Prospectus (as supplemented). Investors should make their own assessment as to the suitability of investing in the Notes.

The Bank accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of the Bank the information contained in this Second Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **Purpose of this Second Supplement**

The purpose of this Second Supplement is to update the "*Risks Related to the Legal and Regulatory Environments in which the DNB Group Operates*" and the "*Risks Related to Macroeconomic Conditions*" sections of the "*Risk Factors*" section of the Base Prospectus.

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

The following shall be inserted as a new third paragraph of the risk factor titled "*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*" in the section "*Risks Related to the Legal and Regulatory Environments in which the DNB Group Operates*" (set out on page 22 of the Original Base Prospectus) of the "*Risk Factors*" section of the Base Prospectus:

"On 13 June 2022, the Norwegian newspaper Aftenposten, based on publications in 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 finding had to be reported to relevant intelligence units (in line with the 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."

The second paragraph of the risk factor titled "*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*" in the section "*Risks Related to the Legal and Regulatory Environments in which the DNB Group Operates*" (set out on page 24 of the Original Base Prospectus) of the "*Risk Factors*" section of the Base Prospectus shall be deemed deleted and replaced with the following:

"In the second quarter of 2021, DNB Bank ASA received a decision from the Norwegian tax authorities related to deduction of external interest expenses. According to Norwegian tax legislation, external interest expenses are to be allocated proportionally among DNB Bank ASA's operations in Norway and certain international branch offices based on the respective entities' total assets. This could result in additions to or deductions from the companies' income in Norway. The decision calculates the limitation of interest deduction by including internal items and covers the fiscal years 2015-2019. The decision represents a tax exposure of NOK 1.7 billion for the period in question. The effect for the fiscal years 2020-2022 is not significant. DNB Bank ASA disagrees with the Norwegian tax authorities' interpretation of the legislation. Legal proceedings were initiated in 2021 and the first level of court ruling took place at the beginning of May 2022. The First level court decision of 4 June 2022 did not rule in favour of DNB Bank ASA, and the Bank intends to appeal the decision. DNB Bank ASA is still of the opinion that it has a strong case in the proceedings, and no provisions have been recognised in the accounts of the Bank.

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. The Bank disagrees with the Norwegian tax authorities' approach on grounds it believes to be robust, 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."

### **Risks Related to Macroeconomic Conditions**

The following shall be inserted as a new penultimate paragraph of the risk factor titled "*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*" in the section "*Risks Related to Macroeconomic Conditions*" (set out on pages 3-5 of the Original Base Prospectus) of the "*Risk Factors*" section of the Base Prospectus:

#### *"Inflation*

As is currently the case for many other countries globally, rising inflation is an issue in Norway. In May 2022, the twelve-month inflation rate was 5.7 per cent., the highest inflation on a twelve-month basis measured since 1988 (*Source: Statistics Norway, 10 June 2022*). The main drivers for the higher inflation were higher prices for fuel and electricity. Core inflation (i.e. inflation adjusted for, *inter alia*, electricity and fuel) was 3.4 per cent. on a twelve-month basis. High inflation may trigger faster and more substantial interest rate hikes from Norges Bank, and may have a detrimental effect on the growth of the Norwegian economy."

### **General Information**

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

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of any Notes or any change in the condition of the Issuer which is material in the context of the Programme or the issue of any Notes since the publication of the Base Prospectus.