

SECOND SUPPLEMENTARY BASE PROSPECTUS DATED 27 OCTOBER 2020

DNB Bank ASA



(incorporated in Norway)

€45,000,000,000

Euro Medium Term Note Programme

This Second Supplementary Base Prospectus (the "**Supplement**") to the Base Prospectus dated 6 May 2020 (the "**Base Prospectus**"), which, together with the First Supplementary Base Prospectus dated 14 July 2020 (the "**First Supplement**"), comprises a base prospectus, prepared in connection with the Euro Medium Term Note Programme established by DNB Bank ASA (the "**Issuer**" or the "**Bank**"). This Supplement constitutes a supplementary prospectus for the purposes of Article 23 of the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Terms defined in the Base Prospectus and the First Supplement have the same meaning when used in this Supplement.

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

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

Purpose of this Supplement

The purpose of this Supplement is: (a) to incorporate by reference the unaudited consolidated and non-consolidated interim financial statements of the Issuer as at, and for the three-month and nine-month periods ended 30 September 2020, which are contained in the document entitled "Third quarter report 2020" (the "**Issuer's Q3 Report**"); (b) to update the "*Description of the DNB Group and the DNB Bank Group*" section of the Base Prospectus; (c) to update the "*Risk Factors*" section of the Base Prospectus; (d) to include a new "*Material Change*" statement in the Base Prospectus; and (e) to update certain ratings disclosure within the Base Prospectus.

Issuer's Q3 Report

On 22 October 2020, the Bank published the Issuer's Q3 Report. The Issuer's Q3 Report has been filed with the Central Bank of Ireland and, by virtue of this Supplement, the unaudited consolidated and non-consolidated interim financial statements of the Bank for the three-month and nine-month periods ended 30 September 2020 which are contained in the Issuer's Q3 Report are incorporated in, and form part of, the Base Prospectus.

Copies of documents incorporated by reference in this Supplement can be obtained upon request, free of charge, from the registered office of the Bank and the specified office of the Paying Agent for the time being in London.

Cross-Reference List

The following shall be inserted underneath Paragraph (c) on page 46 of the Base Prospectus (with subsequent paragraphs re-numbered accordingly):

"(d) the unaudited consolidated and non-consolidated interim financial statements of the Issuer as at, and for the three-month and nine-month periods ended, 30 September 2020 ("**Issuer's Q3 Report**") (which can be viewed online at https://www.ir.dnb.no/sites/default/files/dnb_bank_3q20.pdf), including the information set out at the following pages of the Issuer's Q3 Report:

Income statements	pages 11 and 14
Comprehensive income statements	pages 12 and 15
Balance sheets	pages 13 and 16
Statement of changes in equity	pages 17 to 18
Cash flow statement	pages 19 to 20
Notes	pages 21 to 41

The interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting.

Any non-incorporated parts of the Issuer's Q3 Report are either not relevant for an investor or are covered elsewhere in the Base Prospectus."

Risk Factors

(1) The first paragraph in the risk factor entitled "*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.*" on page 29 of the Base Prospectus shall be deemed to be deleted and replaced with the following:

"One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes, including on an unsolicited basis. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold

securities and may be revised, suspended or withdrawn by the rating agency at any time. If any rating, including any unsolicited credit rating, is assigned at a lower level than expected or subsequently is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Notes may be reduced."

- (2) The risk factor entitled "*The outbreak of COVID-19 (and possibly other contagious diseases) has had an adverse impact on the DNB Bank Group, and may further adversely impact the DNB Bank Group.*" on page 1 of the Base Prospectus shall be deemed to be deleted and replaced with the following:

"The consequences of the outbreak of COVID-19 may adversely impact the DNB Bank Group.

The outbreak of a novel strain of coronavirus, COVID-19, has already had a significant adverse impact on global macroeconomic conditions and financial markets and the economic environments in which the DNB Bank Group operates, including in Norway. The number of reported cases of COVID-19 worldwide, as well as the number of reported deaths as a consequence of COVID-19 worldwide, significantly exceed those observed during the severe acute respiratory syndrome ("**SARS**") epidemic that occurred from November 2002 to July 2003. According to the World Health Organization ("**WHO**"), during November 2002 through July 2003, a total of 8,098 people worldwide became sick with SARS that was accompanied by either pneumonia or respiratory distress syndrome (probable cases). Of these, 774 died. As of 26 October 2020, over 42 million people worldwide had contracted COVID-19, with over one million reported deaths. (Source: WHO, *Coronavirus disease (COVID-19) Weekly Epidemiological Update, 26 October 2020*). In March 2020, the WHO characterised the outbreak of COVID-19 as a pandemic. As of the date of this Base Prospectus (as supplemented by the Second Supplementary Base Prospectus dated 27 October 2020), the COVID-19 pandemic has resulted in significant volatility in financial and commodities markets and it is likely that global GDP will contract for 2020 in response to the economic slowdown caused by the spread of COVID-19.

At present, it is difficult to ascertain how long the outbreak of COVID-19 may last or how severe it may become, and consequently the full impact that COVID-19 may have on the global economy, the Norwegian economy and/or the DNB Bank Group's business, results of operations and/or its prospects. In the last month, there has been an increase in both infections and hospitalisations in Norway due to the COVID-19 outbreak. Even though the increase in Norway is not as material as in certain other European countries, on 26 October 2020, the Norwegian government tightened the restrictions in order to contain the outbreak. If the outbreak of COVID-19 and the measures intended to contain the outbreak continue or are reinstated for a prolonged period, global macroeconomic conditions would worsen and the global economy may experience a significant slowdown in its growth rate or even a decline in global GDP.

Further, the COVID-19 pandemic and corresponding impacts are likely to have an effect on various businesses, for example transportation, hospitality and restaurants. A prolonged outbreak is likely to have an effect on both the world economy and the Norwegian economy, which will have an adverse effect on the DNB Bank Group.

Volatility in global financial and commodities markets may also remain elevated. This volatility, if it continues, could have a material adverse effect on the DNB Bank Group's customers and on the DNB Bank Group's business, financial condition and results of operations.

Given the ongoing and dynamic nature of the consequences of the COVID-19 pandemic and the government measures implemented to counter or limit the adverse impact of the outbreak, it is not possible at this time accurately to assess the ultimate impact of the outbreak for the world economy, the Norwegian economy and/or the DNB Bank Group. High levels of volatility have 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 Bank Group operates, and continuing volatility may have further adverse effects on such measures as the COVID-19 pandemic develops, in particular if there is a significant increase of infections.

Measures implemented by governmental authorities in numerous jurisdictions, including Norway, to contain the outbreak of COVID-19, such as school and university closings, business closings, travel and commuting restrictions, border controls and quarantines, bans on public gatherings, social distancing and other measures to discourage or prohibit the movement and gathering of people, have had in the first half of 2020 and are expected to continue to have a material and adverse impact on the level of economic activity in Norway and in the other countries in which the DNB Bank Group operates. The restrictions are implemented by the governments of individual jurisdictions (including through the adoption of emergency powers) and impacts (including the timing of implementation, any subsequent lifting of restrictions and tightening of restrictions) may vary from jurisdiction to jurisdiction. The outbreak and the restrictions implemented to contain the outbreak have impacted (notably in the second quarter of 2020) and will continue to impact the DNB Bank Group's operations in a number of ways, such as: (i) volatility in the financial markets in which it operates, (ii) volatility in oil and gas prices, (iii) affecting the operations of the DNB Bank Group's counterparties, who may as a result default on their obligations due to the DNB Group (such as repayments) and (iv) affect the DNB Bank Group's ability to conduct its business. As a result of the foregoing factors, the outbreak of COVID-19 or any other contagious diseases may have a material adverse effect on the DNB Bank Group's business, loan portfolio, financial condition (including capital and liquidity), results of operations and prospects.

Continuing or increased turbulence in credit or other markets could have a material adverse effect on the DNB Bank Group's ability to access capital and liquidity on financial terms acceptable to it."

- (3) The risk factor entitled "*The DNB Group is subject to certain MREL requirements which will impact the funding needs of the DNB Group and which may impact its corporate structure.*" on pages 13-14 of the Base Prospectus, as supplemented by the First Supplement shall be deemed to be deleted and replaced with the following:

"Under the 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, including by Directive (EU) 2019/879, the "**Bank Recovery and Resolution Directive**" or "**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 will be set by the Norwegian FSA. On 19 December 2018, the Norwegian FSA adopted changes to the Financial

Institutions Regulation implementing general rules for the Norwegian Ministry of Finance and published the final Norwegian MREL requirements (the "**MREL Rules**").

On 23 December 2019, the Norwegian FSA announced the MREL requirement for DNB ASA. DNB ASA is required to hold total MREL capital equal to 36.7 per cent. of RWAs (adjusted for RWAs stemming from the Issuer as the covered bond entity) based on the balance as of 31 December 2018.

The Norwegian FSA requires MREL eligible debt to be issued by DNB ASA to third party investors and that relevant group units, including the DNB Bank, shall issue internal MREL debt to DNB ASA in order to establish an adequate loss absorbing mechanism in the DNB Group. Due to the imposition of this MREL requirement, DNB ASA has initiated a process to merge DNB ASA and the Bank, making the Bank the ultimate parent company of the DNB Group (the "**Merger**"). As of the date of this Base Prospectus, capital instruments and senior debt have been issued by the Bank. Therefore, the rationale for the Merger is to enable the Bank to be the entity which issues non-preferred senior debt, rather than DNB ASA.

On 23 December 2019, DNB ASA made an application to the Norwegian Ministry of Finance requesting its consent to approve the Merger. On 2 July 2020, the Norwegian Ministry of Finance announced the approval of a new organisational structure for the DNB Group, under which the Bank and DNB ASA will be merged and the Bank will be the holding company of the DNB Group, and thus be the entity issuing MREL-eligible debt. Although the Norwegian Ministry of Finance's decision of 2 July 2020 approves DNB ASA as the new ultimate parent company of the DNB Group, the merger of DNB ASA and the Bank is subject to the NFSA's prior approval of the transaction plan for the merger and of the Bank as a qualifying shareholder of DNB Livsforsikring AS and DNB Asset Management Holding AS. In addition, the merger must be approved by the shareholder meetings of DNB ASA and the Bank, and the merger is expected to be completed 1 July 2021 at the earliest."

Description of the Issuer and the DNB Bank Group

- (1) The section entitled "*Description of the Issuer and the DNB Bank Group - Possible merger between DNB ASA and the Bank*" on pages 153-154 of the Base Prospectus, as supplemented by the First Supplement, shall be deemed to be deleted and replaced with the following:

"On 23 December 2019, the Norwegian FSA announced the MREL requirement for DNB ASA (the holding company of the DNB Group). DNB ASA is required to hold total MREL capital equal to 36.7 per cent. of RWAs (adjusted for RWAs stemming from DNB Boligkreditt AS as the covered bond entity) based on the balance as of 31 December 2018.

The Norwegian FSA requires MREL eligible debt to be issued by DNB ASA to third party investors and that relevant group units, including the Bank, shall issue internal MREL debt to DNB ASA in order to establish an adequate loss absorbing mechanism in the DNB Group. Due to the imposition of this MREL requirement, DNB ASA has initiated a process to merge DNB ASA and the Bank, making the Bank the ultimate parent company of the DNB Group (the "**Merger**"). As of the date of this Base Prospectus, capital instruments and senior debt have been issued by the Bank. Therefore, the rationale for the Merger is to enable the Bank to be the entity which issues non-preferred senior debt, rather than DNB ASA.

On 23 December 2019, DNB ASA made an application to the Norwegian Ministry of Finance requesting its consent to approve the Merger. On 2 July 2020, the Norwegian Ministry of Finance announced the approval of a new organisational structure for the DNB Group, under which the Bank and DNB ASA will be merged and the Bank will be the holding company of the DNB Group, and thus be the entity issuing MREL-eligible debt. Although the Norwegian Ministry of Finance's decision of 2 July 2020 approves DNB ASA as the new ultimate parent company of the DNB Group, the merger of DNB ASA and the Bank is subject to the NFSA's prior approval of the transaction plan for the merger and of the Bank as a qualifying shareholder of DNB Livsforsikring AS and DNB Asset Management Holding AS. In addition, the merger must be approved by the shareholder meetings of DNB ASA and the Bank, and the merger is expected to be completed 1 July 2021 at the earliest.

Upon the completion of the Merger, the Bank will assume the assets and liabilities of DNB ASA (including, *inter alia*, the shares of DNB Livsforsikring AS and DNB Asset Management AS). DNB Livsforsikring AS and DNB Asset Management AS will then become subsidiaries of the Bank."

- (2) The section entitled "*Description of the Issuer and the DNB Bank Group - Recent Developments*" on page 158 of the Base Prospectus shall be deemed to be deleted and replaced with the following:

"Recent Developments

The macroeconomic environment, which has been significantly impacted by the COVID-19 pandemic, is the principal factor affecting the DNB Bank Group's financial condition and results of operations. In particular, macroeconomic developments affect demand for, and pricing of, the DNB Bank Group's products and services, as well as the quality of its assets.

The outbreak of COVID-19 in the first quarter of 2020 had a significant impact on global macroeconomic conditions and financial markets and the economic environments in which the DNB Bank Group operates, including in Norway. Given the ongoing and dynamic nature of the consequences of the COVID-19 pandemic and the government measures implemented to counter or limit the adverse impact of the outbreak, it is not possible at this time accurately to assess the ultimate impact of the outbreak for the world economy, the Norwegian economy and/or the DNB Bank Group. The impact to date has included significant volatility in financial and commodities markets and it is likely that global GDP will contract for 2020 in response to the economic slowdown caused by the spread of COVID-19. At present, it is difficult to ascertain how long the outbreak of COVID-19 may last or how severe it may become, and consequently the full impact that COVID-19 may have on the global economy, the Norwegian economy and/or the DNB Bank Group's business, results of operations and/or its prospects. See "*Risk Factors —The consequences of the outbreak of COVID-19 may adversely impact the DNB Bank Group*" for further information.

The principal impact of COVID-19 on the DNB Bank Group's results of operations during the first nine months of 2020 has been on impairment losses on financial instruments, which increased as compared to the first nine months of 2019. The impairment losses in the quarter were to a large extent related to customers in stage 3 within the oil, gas and offshore segment. In addition, restrictions on international travel and tourism as a result of the COVID-19 pandemic resulted in a decrease in demand for money transfer and banking services in the first nine months of 2020, which had an adverse impact on fees and commission income.

Due to the negative impact of the COVID-19 outbreak on the Norwegian economy, Norges Bank reduced the key policy rate by 1.50 per cent. in the period March 2020 to May 2020. Management estimates that the reduction in interest rates on customer loans and deposits following Norges Bank's reduction in the key policy rate in March 2020 and May 2020 will have a negative effect on the Bank's net interest income of approximately NOK 5 billion annually for the DNB Bank Group, effective from the second quarter of 2020. Alongside this, net commissions and fees will be impacted by lower revenues from money transfers and banking services due to lower business and travel activity.

Other macroeconomic factors, such as GDP growth or decline, rates of unemployment and inflation, and oil prices, affect, among others, the following aspects of the DNB Bank Group's financial condition and results of operations:

- corporate and retail customers' investment activities, which in turn affect demand for credit and, as a result, the DNB Bank Group's lending volumes;
- asset quality and impairments of the DNB Bank Group's loans;
- developments in asset prices, including prices of equity and debt securities, which in turn particularly affect commission and fee income, gains on financial instruments at fair value and treasury, equity and corporate finance operations;
- downgrades or upgrades in internal credit ratings of customers due to deterioration or improvement in their credit quality, which in turn directly affect the Bank's regulatory capital levels and indirectly affect its ability to increase lending volumes; and
- volatility in interest rates, currency rates and commodity prices, which in turn affect customers' demand for risk management products."

Material Change

The paragraph under the heading "*General Information - Material Change*" on page 184 of the Base Prospectus shall be deemed deleted and replaced with the following:

"Save as disclosed in "*Description of the Issuer and the DNB Bank Group — Recent Developments*" in the Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2019. There has been no significant change in the financial position or performance of the Issuer or the DNB Bank Group since 30 September 2020."

Rating Related Disclosure

The references to the ratings assigned by Moody's on pages ii and 44 of the Base Prospectus are updated to include "(P)A3 (Senior Non-Preferred Notes)".

General Information

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

statement in, or incorporated by reference into the Base Prospectus by the First Supplement, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus and the First Supplement 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 and First Supplement.