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DNB ASA announces recommended voluntary cash offer by DNB Bank ASA for Sbanken ASA at NOK 103.85 per share

Oslo, 15 April 2021 - DNB ASA announces today that its wholly owned subsidiary DNB Bank ASA ("**DNB**" or the "**Offeror**") has reached an agreement with Sbanken ASA ("**Sbanken**" or the "**Company**"), the Oslo Stock Exchange-listed company, to launch a recommended voluntary cash tender offer (the "**Offer**") for 100% of the shares (the "**Shares**") of the Company.

A cash consideration of NOK 103.85 (the "**Offer Price**") will be offered per Share, which implies a total consideration for all the Shares of approximately NOK 11.1 billion (based on 106,869,333 shares outstanding as per 14 April 2021). The Offer Price represents a premium of 29.8% over the closing price of the Shares on 14 April 2021 of NOK 80.0 and a premium of 49.8% over the average volume weighted share price adjusted for dividend during the last six months up to and including 14 April 2021 of NOK 69.3.

The Company's Board of Directors recommends the Offer. Shareholders representing a total of approximately 29% of the outstanding Shares have, on certain terms and conditions, undertaken to accept the Offer, including the Company's largest shareholders Altor Invest 3 AS and Altor Invest 4 AS which hold in aggregate 25% of the outstanding Shares in the Company. Additionally, DNB currently owns approximately 1% of the outstanding Shares in the Company.

Kjerstin Braathen, CEO of DNB, comments:

"We now have an opportunity to combine two of Norway's top providers of digital customer experiences into one large innovative environment spread across our offices in Bergen and Oslo. We'll be able to achieve so much more together than we can separately, and we'll strive to create Norway's best customer experiences - regardless of industry".

Key terms of the Offer

The Company's shareholders will be offered NOK 103.85 per Share in cash consideration. The Offer Price implies:

- A premium of 29.8% to the closing price of the Shares on the Oslo Stock Exchange on 14 April 2021 of NOK 80.0.
- A premium of 49.8% to the volume weighted average share price adjusted for dividend during the last six months up to and including 14 April 2021 of NOK 69.3.
- P/B and P/E multiples at the top end of the range for the listed Nordic banks, reflecting Sbanken's track-record, returns and high-quality loan book with low risk.
- A price that is at a significant premium to broker forward price targets.

The Offer Price will be reduced by the amount of any dividend or other distributions made by Sbanken.

The complete details of the Offer, including all terms and conditions, will be contained in an offer document (the "**Offer Document**") to be sent to the Company's shareholders following review and

approval by the Oslo Stock Exchange pursuant to Chapter 6 of the Norwegian Securities Trading Act. The Offer Document is expected to be approved during the week commencing 19 April 2021. The Offer may only be accepted on the basis of the Offer Document.

The Offer is not subject to any financing condition. As further detailed and specified in the Offer Document, completion of the Offer will be subject to fulfilment or waiver by the Offeror (in its sole discretion) of the following conditions: (1) valid acceptance of the Offer by eligible Sbanken shareholders to such extent that DNB becomes the owner of shares representing more than 90% of the issued and outstanding shares and voting rights in the Company on a fully diluted basis (which in no event may be waived by the Offeror below an acceptance level of 2/3 of the issued and outstanding share capital and voting rights of the Company on a fully diluted basis), (2) obtaining any required regulatory approval from (i) the Financial Supervisory Authority of Norway (Nw. Finanstilsynet) and/or the Norwegian Ministry of Finance (Nw. Finansdepartementet), as applicable and (ii) the Norwegian Competition Authority (Nw. Konkurransetilsynet), including completion of any waiting periods, (3) no material adverse change in the Company having occurred, (4) the Company conducting its business in the ordinary course, (5) the board of the Company not having qualified, amended or withdrawn its recommendation of the Offer, (6) no governmental interference hindering consummation of the Offer in accordance with its terms, and (7) the Company shall not be in material breach of the agreement entered into between the Offeror and the Company in connection with the Offer.

If as a result of the Offer, the Offeror acquires and holds more than 90% of the total issued share capital of the Company representing more than 90% of the voting rights in the Company, the Offeror intends to carry out a compulsory acquisition of the remaining Shares in the Company. Also, if, as a result of the Offer, a subsequent mandatory offer or otherwise, the Offeror holds a sufficient majority of the Shares in the Company, the Offeror intends to propose to the general meeting of the Company that an application is filed with Oslo Stock Exchange to de-list the shares of the Company.

The initial acceptance period in the Offer will commence following publication of the Offer Document and is expected to last for 20 business days, subject to any amendments by the Offeror. Barring unforeseen circumstances or any extensions of the acceptance period of the Offer, it is expected that the Offer will be completed in Q3 2021 following receipt of regulatory approvals.

DNB and Sbanken have entered into a transaction agreement (the "**Transaction Agreement**") regarding the Offer. As part of the Transaction Agreement, and subject to customary conditions, Sbanken has entered into undertakings to only amend or withdraw its recommendation of the Offer if a competing offer is made, and the Board of Directors of Sbanken determines in good faith that the competing offer is capable of being completed and is more favorable to the shareholders, and the Offeror has not matched the superior offer within up to five business days. In the event the Offer is not completed due to the condition related to regulatory approvals not being satisfied, DNB shall compensate Sbanken for its external reasonable costs incurred in respect of the Offer, limited upwards to NOK 10 million. In the event the Offer is not completed due to withdrawal by the Board of Directors of Sbanken of its recommendation of the Offer, Sbanken shall compensate DNB for its external reasonable costs incurred in respect of the Offer, limited upwards to NOK 10 million.

The Offer will not be made in any jurisdiction in which the making of the Offer would not be in compliance with the laws of such jurisdiction.

Background and transaction rationale

Sbanken was established in 2000 as the first pure-play digital bank in Norway and was listed on the Oslo Stock Exchange in 2015. Sbanken is today positioned as one of the leading digital retail banks in Norway with 476,000 retail customers at year-end 2020. The Company has had the most satisfied banking customers in Norway the last 19 years. In addition to a strong position within current accounts and mortgages, Sbanken also has a good position in the savings market with NOK 23 billion customers' investments in mutual funds, built a position in the consumer finance market with NOK 1.7 billion in outstanding loans and launched several successful offerings in the SME segment with 8,000 customers at year-end 2020.

The loan book of Sbanken has low risk as 95% of Sbanken's NOK 83 billion loan book consists of high-quality residential mortgages with a loan-to-value ratio of approximately 53% as of fourth quarter-end 2020 and an average loan loss ratio of 0.11% over the last four years.

DNB believes that Sbanken will further strengthen its position within retail banking in its home market. DNB's market share within mortgages in Norway is estimated to increase from approximately 24% to approximately 27%. In addition, Sbanken will complement DNB within the savings area, which is a growth area for DNB, and add highly skilled technology resources.

The transaction is estimated to be accretive and positively impact earnings per share and return on equity of DNB. Cost synergies are expected to be realised within both Sbanken and DNB. The transaction is expected to reduce DNB's CET 1 ratio with approximately 100 bps at completion of the Offer.

Advisers

DNB Markets is acting as financial advisor for the Offeror. Advokatfirmaet BAHR AS is acting as legal advisor for the Offeror.

Investor call

Investors and analysts are hereby invited to participate in an investor call about the Offer at 11:00 am (CEST) 15 April 2021. The investor call will be hosted by DNB's CFO Ottar Ertzeid. The investor call will also include a Q&A session and will be held in English.

Call in details: Norway +47 21 56 33 18, UK Wide +44 (0) 33 0551 0200, US +1 212 999 6659. Password: dnb1504. Please join the call 5 minutes early to allow the operator to transfer you into the call by the scheduled start time. A recording of the call will be available on the Investor Relations pages at ir.dnb.no.

Contacts

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Key Sbanken financial information

	2018	2019	2020
Net interest income NOKm	1,371	1,564	1,644
Net fee and commission NOKm	204	215	184
Operating expenses NOKm	642	727	710
Net profit NOKm	723	710	783
Return on equity	12.9%	11.4%	11.4%
Loans NOKbn	79.2	81.5	83.4
Customer deposits NOKbn	49.5	52.8	58.6
Funds under management NOKbn	11.5	15.8	23.2
Total equity NOKm	6,199	6,886	7,618
<i>Of which additional tier 1 capital</i>	505	706	701
Risk weighted assets NOKbn	37.2	37.6	38.8
CET1 ratio	14.6%	15.6%	15.5%

This information is subject to the disclosure requirements according to section 5-12 of the Norwegian Securities Trading Act.

The Offer and the distribution of this announcement and other information in connection with the Offer may be restricted by law in certain jurisdictions. When published, the Offer Document and related acceptance forms will not and may not be distributed, forwarded or transmitted into or within any jurisdiction where prohibited by applicable law, including, without limitation, Canada, Australia, New Zealand, South Africa, Hong Kong and Japan. The Offeror does not assume any responsibility in the event there is a violation by any person of such restrictions. Persons into whose possession this

announcement or such other information should come are required to inform themselves about and to observe any such restrictions.

This announcement is not a tender offer document and, as such, does not constitute an offer or the solicitation of an offer to acquire the Shares. Investors may accept the Offer only on the basis of the information provided in the Offer Document. Offers will not be made directly or indirectly in any jurisdiction where either an offer or participation therein is prohibited by applicable law or where any tender offer document or registration or other requirements would apply in addition to those undertaken in Norway.

Notice to U.S. Holders

U.S. Holders (as defined below) are advised that the Shares are not listed on a U.S. securities exchange and that the Company is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder. The Offer will be made to holders of Shares resident in the United States (“**U.S. Holders**”) on the same terms and conditions as those made to all other holders of Shares of the Company to whom an offer is made. Any information documents, including the Offer Document, will be disseminated to U.S. Holders on a basis comparable to the method that such documents are provided to the Company’s other shareholders to whom an offer is made. The Offer will be made by the Offeror and no one else.

The Offer will be made to U.S. Holders pursuant to Section 14(e) and Regulation 14E under the U.S. Exchange Act as a “Tier II” tender offer, and otherwise in accordance with the requirements of Norwegian law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to the offer timetable, settlement procedures and timing of payments, that are different from those that would be applicable under U.S. domestic tender offer procedures and law.

Pursuant to an exemption from Rule 14e-5 under the U.S. Exchange Act, the Offeror and its affiliates or brokers (acting as agents for the Offeror or its affiliates, as applicable) may from time to time, and other than pursuant to the Offer, directly or indirectly, purchase or arrange to purchase, Shares or any securities that are convertible into, exchangeable for or exercisable for such Shares outside the United States during the period in which the Offer remains open for acceptance, so long as those acquisitions or arrangements comply with applicable Norwegian law and practice and the provisions of such exemption. To the extent information about such purchases or arrangements to purchase is made public in Norway, such information will be disclosed by means of an English language press release via an electronically operated information distribution system in the United States or other means reasonably calculated to inform U.S. Holders of such information. In addition, the financial advisors to the Offeror may also engage in ordinary course trading activities in securities of the Company, which may include purchases or arrangements to purchase such securities.

Neither the SEC nor any securities supervisory authority of any state or other jurisdiction in the United States has approved or disapproved the Offer or reviewed it for its fairness, nor have the contents of the Offer Document or any other documentation relating to the Offer been reviewed for accuracy, completeness or fairness by the SEC or any securities supervisory authority in the United States. Any representation to the contrary is a criminal offence in the United States.