

## FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 14 JULY 2020

DNB Bank ASA



*(incorporated in Norway)*

**€45,000,000,000**

### **Euro Medium Term Note Programme**

This First Supplementary Base Prospectus (the "**Supplement**") to the Base Prospectus dated 6 May 2020 (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 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 have the same meaning when used in this Supplement.

This 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 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 Bank for the three-month and six-month periods ended 30 June 2020, which are contained in the document entitled "Second quarter and first half report 2020" (the "**Issuer's Q2 Report**"); (b) to clarify the sections of the Issuer's "First quarter report 2020" intended to be incorporated by reference into the Base Prospectus; (c) to update the "*Risk Factors*" section of the Base Prospectus; (d) to update the "*Description of the DNB Group and the DNB Bank Group*" section of the Base Prospectus; and (e) to include a new "*Material Change*" statement.

### **Issuer's Q2 Report**

On 13 July 2020, the Bank published the Issuer's Q2 Report. The Issuer's Q2 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 six-month periods ended 30 June 2020 which are contained in the Issuer's Q2 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**

Paragraph (b) on page 46 of the Base Prospectus shall be deemed to be deleted and replaced with the following:

- "(b) the unaudited non-consolidated and consolidated interim financial statements of the Issuer as at, and for the three month period ended, 31 March 2020 (which can be viewed online at [https://www.ir.dnb.no/sites/default/files/dnb\\_bank\\_1Q20.pdf](https://www.ir.dnb.no/sites/default/files/dnb_bank_1Q20.pdf)), including the information set out at the following pages of the Issuer's "First quarter report 2020":

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 38

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

Any non-incorporated parts of the "First quarter report 2020" are either not relevant for an investor or are covered elsewhere in the Base Prospectus."

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

- "(c) the unaudited non-consolidated and consolidated interim financial statements of the Issuer as at, and for the three month and six month periods ended, 30 June 2020 (which can be viewed online at [https://www.ir.dnb.no/sites/default/files/dnb\\_bank\\_2q20.pdf](https://www.ir.dnb.no/sites/default/files/dnb_bank_2q20.pdf)), including the information set out at the following pages of the Issuer's "Second quarter and first half report 2020":

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 "Second quarter and first half report 2020" are either not relevant for an investor or are covered elsewhere in the Base Prospectus."

## Risk Factors

The risk factor titled "*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 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 approved the application. Following the upcoming merger process, the Bank will be the holding company in the Group, with DNB Livsforsikring AS and DNB Asset Management AS as subsidiaries. Further regulatory permissions are required before the Merger can be completed, and the merger process will take place at the earliest in 2021. See the section entitled "*Capital Adequacy and Regulatory Considerations - Possible merger between DNB ASA and the Bank*" for further information regarding the Merger."

#### **Description of the Issuer and the DNB Bank Group**

The section titled "*Possible merger between DNB ASA and the Bank*" on pages 153-154 of the Base Prospectus 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 approved the application. Following the upcoming merger process, the Bank will be the holding company in the Group, with DNB Livsforsikring AS and DNB Asset Management AS as subsidiaries. Further regulatory permissions are required before the Merger can be completed, and the merger process will take place at the earliest in 2021.

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."

#### **Material Change**

The paragraph under the heading "*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 June 2020."

#### **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, 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 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.