SUPPLEMENTARY BASE PROSPECTUS DATED 7TH FEBRUARY, 2017

DNB Bank ASA

(incorporated in Norway)

€45,000,000,000
Euro Medium Term Note Programme

This Supplementary Base Prospectus (the "**Supplement**") to the Base Prospectus (the "**Base Prospectus**") dated 14th June, 2016 comprises a base prospectus and 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 16 of Directive 2003/71/EC as amended (the "**Prospectus Directive**") as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005 and is prepared in order to update the Base Prospectus. 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 Directive. The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

The Bank accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Bank (which has taken all reasonable care to ensure that such is the case) 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 document entitled "Fourth quarter report 2016" (the "**Issuer's Q4 Report"**) which contains the preliminary and unaudited consolidated and non-consolidated financial statements of the Bank for the twelve-month period ended 31st December, 2016; (b) to include a new "Material Change" statement; (c) to make certain amendments to the Terms and Conditions of the Notes; and (d) to update certain risk factors.

Issuer's Q4 Report

On 2nd February, 2017 the Bank published its preliminary and unaudited consolidated and non-consolidated financial statements as at 31st December, 2016 in a document entitled "Fourth quarter report 2016". The Issuer's Q4 Report has been filed with the Central Bank of Ireland and, by virtue of this Supplement, the Issuer's Q4 Report is incorporated in, and forms part of, the Base Prospectus. The Bank's annual report, which will contain the audit report in respect of these financial statements, is expected to be published on 9th March, 2017.
Copies of documents incorporated by reference in this Base Prospectus 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 (b) on page 43 of the Base Prospectus (with subsequent paragraphs re-numbered accordingly):

"(c) the unaudited consolidated and non-consolidated financial statements of the Bank as at, and for the period ended, 31st December, 2016 (which can be viewed online at https://www.dnb.no/portalfront/nedlast/no/om-oss/resultater/2016/4-kvartal/kvartalsrapport-dnb-bank-4q16-en.pdf), including the information set out at the following pages of the Bank's 'Fourth quarter report 2016':

Income statements	pages 10 and 12
Balance sheets	pages 11 and 13
Comprehensive income statements	pages 10 and 12
Statement of changes in equity	page 14 to 15
Cash flow statement	pages 16 to 17
Notes	pages 18 – 41

Any other information not listed in (c) above but contained in such document is incorporated by reference for information purposes only, the non-incorporated items are either not relevant for an investor or are covered elsewhere in the Base Prospectus.

Material Change

The paragraph under the heading "Material Change" on page 150 of the Base Prospectus shall be deemed deleted and replaced with the following:

"There has been no material adverse change in the prospects of the Issuer since 31st December, 2015, and there has been no significant change in the financial position of the Issuer or the DNB Bank Group since 31st December, 2016."

Terms and Conditions of the Notes

The following shall be inserted underneath Condition 3(d) on page 83 of the Base Prospectus:

"(e) *No right of set-off or counterclaim*

No Noteholder who becomes, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholder."

Condition 20(a) on page 121 of the Base Prospectus shall be deemed to be deleted and replaced with the following:

"(a) The Trust Deed, Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, English law except for (i) the provisions of Condition 3; and (ii) any other write-down or conversion of the Subordinated Notes in accordance with Norwegian law and regulation applicable to the Issuer from time to time, which in each case shall be governed by, and shall be construed in accordance with, the laws of the Kingdom of Norway. VPS Notes must comply with the Norwegian Securities Register Act of 5th July, 2002 no. 64, as amended from time to time and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation."

The following shall be inserted underneath Condition 20(b) on page 122 of the Base Prospectus:

"(c) This Condition 20(c) applies to Subordinated Notes. Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 20(c), includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder 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 (without limitation) may include and result in 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 Issuer or another person, and the issue to or conferral on the Noteholder 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 perpetual nature of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending 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.

In this Condition 20(c):

"**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 replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer 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. References to such amounts will include 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 resolution authority with the ability to exercise any Norwegian Statutory Loss Absorption Powers in relation to the Issuer."

Risk Factors

The risk factor entitled "*The financial services industry is subject to intensive regulation, including capital adequacy regulation, and the regulatory framework is undergoing major changes*" on pages 20 to 24 of the Base Prospectus shall be deemed deleted and replaced with the following:

"The financial services industry is subject to intensive regulation, including capital adequacy regulation, and the regulatory framework is undergoing major changes.

The DNB Bank Group's business is subject to ongoing regulatory and associated risks. The DNB Bank 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 Bank Group carries on business. The Norwegian FSA is the DNB Bank Group's primary regulator, although DNB Bank Group is also subject to the supervision of regulators in each country where it has a branch or representative office, including Poland and the Baltic states.

The DNB Bank 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 (including the transitional Basel I floor). Any increase in the DNB Bank 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 potentially reduce the DNB Bank Group's capital adequacy ratios. If the DNB Bank 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 other operations or, in more severe circumstances, raise further capital.

Changes in the supervision and regulation of financial institutions, particularly in Norway, could materially affect the DNB Bank 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 investor decisions or may increase the costs of doing business in the Nordic markets and other European markets, and such other markets where the DNB Bank 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 Bank Group's products and services.

Capital adequacy and liquidity requirements

At the international level, a number of regulatory and supervisory initiatives have been implemented in recent years in order to increase capital requirements, 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 (as defined below).

Norway introduced new capital requirements as of 1st July, 2013 by making amendments to the Norwegian Financial Institutions Act of 10 June 1988 No. 40, which was subsequently abolished and replaced by the Act on Financial Enterprises and Financial Groups of 10 April 2015 No. 17 (*Lov om finansforetak og finanskonsern av 10. april 2015 No. 17*) (the "**Financial Enterprises Act**"). The Financial Enterprises Act consolidated several legislative acts relevant for financial enterprises such as banks, with effect from 1st January, 2016, as the first step in the adaptation to the EU capital requirements regulations for credit institutions and investment firms, "**CRR/CRD IV**". The capital requirements in Norway imply a gradual increase in the formal capital requirements in the near term.

The capital adequacy requirements for banks consist of two pillars. Pillar 1 encompasses minimum capital requirements determined by the political authorities. As per the provisions of the Financial Enterprises Act, banks must hold capital at least equal to 8 per cent. of their risk-weighted assets ("**RWAs**"), 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 to this, the Financial Enterprises Act imposes various capital buffer requirements which must be met by Norwegian financial institutions, all consisting of common equity tier 1. As of 1st July, 2016, the capital buffer requirements consisted of (i) a conservation buffer of 2.5 per cent. of RWAs, (ii) a systemic risk buffer of 3 per cent. of RWAs and (iii) a counter-cyclical buffer of 1.5 per cent of RWAs (to be increased to 2 per cent from 31st December, 2017). Financial enterprises (including the DNB Group as a whole and the Bank) which the Norwegian authorities have designated as systemically important (referred to as "**Other Systemically Important Institutions**" or "**OSIIs**") must also comply with a systemically important financial institutions ("**SIFI**") buffer of 2 per cent of RWAs, to mitigate systemic risk.

Accordingly, as of 1st July, 2016, the minimum common equity Tier 1 capital requirement, including the buffer requirements, was set at 13.5 per cent. of RWAs for Norwegian OSIIs and 11.5 per cent. of RWAs for other Norwegian banks.

Under CRD IV, each EU member state is responsible for setting a counter-cyclical buffer rate applicable to exposures in its own jurisdiction. The relevant authorities in the other EU 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 RWAs). 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). On 28th September, 2016, the Ministry of Finance passed a regulation proposed by the Norwegian FSA amending the regulation on the buffer requirement and providing 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 regulation became effective as of 1st October, 2016. The Bank anticipates that adoption of this regulation will lead to a reduction in its effective counter-cyclical buffer rate (which, indicatively, would have been a reduction from 1.5 per cent. to approximately 1.2 per cent. as at 30th June, 2016 had the regulation been effective by such date). A reduction in the Bank's effective counter-cyclical buffer rate would reduce its overall common equity tier 1 requirement (and so, based on the requirement as of 1st July, 2016 for Norwegian OSIIs to hold 13.5 per cent of RWAs, a reduction in the Bank's effective counter-cyclical buffer rate by approximately 0.3 per cent. would reduce its common equity tier 1 requirement to approximately 13.2 per cent. of risk weighted assets). The level of the counter-cyclical buffer will be re-assessed by the Ministry of Finance, and the relevant authorities in each other Member State, each quarter, and may result in an increase or a decrease to the rate. A decision to increase the requirement may normally enter into force no earlier than 12 months following such decision. On 15th December, 2016, the Ministry of Finance announced that the counter-cyclical buffer rate will increase to 2 per cent from 31st December, 2017.

CRD IV permits regulators to require the banks which they regulate to hold additional capital, often referred to as "**Pillar 2**" capital requirements. The Norwegian FSA'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. Further to the Norwegian FSA's Supervisory Review and Evaluation Process ("**SREP**") for 2016, the Pillar 2 requirement for the Bank, the DNB Bank Group and the DNB Group has been set at 1.5 per cent. of RWAs and must be met with common equity Tier 1 capital.

The total common equity Tier 1 capital requirement is thus approximately 14.7 per cent. at year-end 2016. The Bank, the DNB Bank Group and the DNB Group is in compliance with these requirements as at 31st December, 2016. 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 their 2016 SREP letter to the Bank, the DNB Bank Group and the DNB Group, the Norwegian FSA also advised the Bank, the DNB Bank Group and the DNB Group to hold a CET1 buffer of approximately 1.0 per cent. on top of the total CET1 requirement.

The DNB Group reported a 16.0 per cent. CET1 ratio as of 31st December, 2016. On the 21st December, 2016 the Ministry of Finance announced changes in the regulation related to the treatment of investments in insurance subsidiaries related to the Norwegian Basel 1 floor regulation. The changes will take effect on 1st January, 2017. This will have no effect on the CET1 ratio for the DNB Bank Group (15.7 per cent. at 31st December, 2016). For the DNB Group the change will imply a reduction in the CET1 ratio of 0.2 percentage points as of 1st January, 2017.

The Bank took part in the stress tests of European banks in 2011 and 2014, coordinated by the European Banking Authority (the "**EBA**"). 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. The Bank was also part of the EBA 2016 stress test based on the year-end figures for 2015. The adverse scenario stress test result for the DNB Bank Group showed a materially unchanged CET1 ratio of 14.30 per cent. (a reduction of 0.01 per cent.). The Bank maintains positive results before dividend during the stress test period (2016 – 2018) which, according to the EBA methodology, gives a stable capital base. The risk exposure amount is also unchanged due to the effects of the Norwegian transitional rule based on the non-risk-sensitive Basel I system.

The Basel III framework also provided for capital requirements based on total (i.e. non-risk weighted) assets, referred to as leverage ratio requirements. On 20th December, 2016, the Ministry of Finance resolved to impose a requirement for leverage ratio of 3 per cent for banks, finance companies, holding companies in financial groups and investment firms who provides certain investment services, as well as a general buffer requirement of 2 per cent for banks and an additional buffer requirement of 1 per cent for systemically important banks. Any entity which does not comply with the leverage ratio requirements must send a plan to the Norwegian FSA within five business days with a time table for the required increase of the leverage ratio. If the Norwegian FSA does not consider the plan to be sufficient it can order to the entity to implement various types of measures to remedy the situation. The leverage ratio requirements will apply from 30th June, 2017. Under the new requirements, the Bank and the DNB Bank Group (on a consolidated basis) will be required to have a leverage ratio of 6 per cent and DNB ASA and the DNB Group (on a consolidated basis) will be required to have a leverage ratio of 6 per cent. As at 31st December, 2016, the leverage ratio of the DNB Group was 7.3 per cent (6.7 per cent. as at 31st December, 2015).

The nature of the DNB Bank Group's business as well as external conditions are constantly changing. As a result and to ensure compliance with the changing regulatory landscape, the DNB Bank Group may need to increase its capital ratios in the future, by reducing its lending or investment in other operations or raising additional capital. Such capital, whether in the form of debt financing, hybrid capital or additional equity, may not be available on attractive terms, or at all. In addition, it is difficult to predict what regulatory requirements relating to capital may be imposed in the future or accurately estimate the impact that any currently proposed regulatory changes may have on the business, the products and services offered by DNB Bank Group and the values of its assets. For example, if any entity of the DNB Bank Group is required to make additional provisions, increase its reserves or capital, or exit or change its approach to certain businesses as a result of the initiatives to strengthen the regulation of credit institutions, this could materially adversely affect the DNB Bank Group's and/or the DNB Group's results of operations or financial condition.

The Basel III framework also aimed to raise liquidity levels in the banking sector. CRD IV includes requirements relating to the liquidity coverage ratio (or "**LCR**"). The Norwegian Ministry of Finance has decided to introduce the LCR ahead of the schedule contemplated by the European Union. Norwegian domestic systemically important banks, including DNB Bank, the DNB Bank Group and the DNB Group, were required to meet the 100 per cent LCR requirement as of 31st December, 2015. On 1st September, 2016, the Norwegian FSA sent a proposal to the Ministry of Finance to introduce LCR requirements for significant currencies. The proposal has been subject to a public consultation, with the consultation period ending 31st January, 2017. No final regulation has so far been published. According to the proposal, due to the limited size of the domestic capital market, the minimum requirement for LCR in NOK should be set at 50 per cent. for banks that have U.S.$ and/or euro as other significant currencies. The lack of NOK LCR should be fulfilled by either U.S.$ or euros. The LCR requirement for euro and U.S.$ is 100 per cent. plus the lack of NOK LCR. As a result and to ensure compliance with changes in these rules, the DNB Bank Group and 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 ration ("**NFSR**") has also been proposed with the Basel III framework. This funding seeks to calculate the proportion of long-term assets which are funded by long-term stable funding. Norway has so far not implemented NSFR liquidity rules pending further developments on EU regulations governing NSFR.

On 23rd November, 2016, the European Commission published legislative proposals for amendments to the CRR, the CRD IV, the BRRD and Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism for the Banking Union and proposed an amending directive to facilitate the creation of a new asset class of "non-preferred" senior debt (the "**Proposals**"). The Proposals cover multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt, the MREL framework and the integration of the financial stability board's proposed minimum total loss-absorbing capacity into EU legislation. The Proposals are to be considered by the European Parliament and the Council of the European Union and therefore remain subject to change. The final package of new legislation may not include all elements of the Proposals and new or amended elements may be introduced through the course of the legislative process. Until the Proposals are in final form, it is uncertain how the Proposals will affect the DNB Bank, the DNB Bank Group, the DNB Group or holders of the Notes.

Bank winding up and crisis management

On 2nd 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**") 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 institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD, under its terms, was required to be applied by European Union Member States from 1st January, 2015, except for the general bail-in tool (see below) which was required to be applied from 1st January, 2016. Norway will not be directly bound by the BRRD before it has been implemented into the Agreement on the European Economic Area, which entered into force on 1st January, 1994 (the "**EEA Agreement**") however draft regulations have been suggested in Norway. The Norwegian Banking Law Commission proposed new legislation implementing BRRD (the "**Draft BRRD Implementation**") in October 2016 and the hearing period expired on 9th January, 2017. With respect to Norwegian rules currently in force regarding loss absorption, please see "*The Notes may become subject to provisions requiring liabilities to be written down or converted to equity*" below.

If and when BRRD is implemented in Norway in line with EU legislation, the Bank, the DNB Bank Group and the DNB Group would become 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) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution 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 firm 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 firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (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 institution and/or to convert certain unsecured debt claims, which would include securities such as the Notes, to equity (the "**general bail-in tool**"), with such equity also being subject to any future application 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.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or 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 (such as the Subordinated Notes) at the point of non-viability and before any other resolution action is taken ("**non-viability loss absorption**"). Any shares issued to holders of the Subordinated 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 the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments (such as the Subordinated Notes) are written down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The BRRD is formulated in a manner that deviates rather significantly from Norwegian financial legislation and the regulatory framework for solvency failure and public administration as set out in Chapter 21 of the Financial Enterprises Act. The Norwegian Banking Commission, in preparing the Draft BRRD Implementation making the changes to the Financial Enterprises Act, has emphasised the main lines/themes in the regulatory framework and suggested that possible supplements and regulation of details can be determined through regulations. When viewed in relation to Norwegian law currently applicable, the BRRD entails significant changes, an important element in the BRRD regulatory framework is the set of rules that grant the resolution authority the right to – as part of the restructuring of an insolvent institution and its capital base – make decisions regarding the write down or conversion to equity, partly of the institution's relevant capital instruments in the form of approved tier 1 capital or approved tier 2 capital and partly of claims against the institution that accrue to financial creditors. However, the general bail-in tool shall be implemented in accordance with the priority rules that largely correspond with the rules in the Norwegian Creditors Recovery Act of 8 June 1984 no. 59.

The BRRD's requirements for national legislation are largely formulated as minimum requirements. Norway is therefore not entitled to uphold rules that are contrary to the minimum requirements, but may, as a general rule, adopt additional or stricter rules, such as Article 1, no. 2 of BRRD. The Norwegian Banking Law

Commission has expressed that it does not see the need for such national additions and has therefore only used this scope or flexibility to a limited extent, for instance in relation to procedures for early intervention when a financial institution experiences failing solidity in line with the currently applicable rules set out in Chapter 21 of the Financial Enterprises Act.

The powers set out in the BRRD and the Draft BRRD Implementation will impact how relevant credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

If the BRRD is implemented in Norway as proposed by the Norwegian Banking Law Commission and in line with the EU legislation, holders of Notes may be subject to write down or conversion into equity on any application of the general bail-in tool or (in the case of Subordinated Notes) on any application of the non-viability loss absorption measure, which may result in such 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.

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

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 1st January, 2016. In the Draft BRRD Implementation, it has been suggested to implement a MREL minimum requirement with a level to be set by the Ministry of Finance (powers may be delegated to the Norwegian Financial Supervisory Authority). However, given that Norway has not yet implemented the BRRD it is currently unclear how such requirements may be applied to Norwegian banks such as the Bank in the future.

As it is still somewhat uncertain when and how the BRRD will be implemented in Norway, and in any event the Norwegian authorities could elect to adopt more onerous provisions than required under the EU legislation, it is difficult to anticipate the potential implications for the Bank or any Notes issued under this Programme.

Any of the changes in the supervision and regulation of financial institutions, or any other future changes, may have a material adverse effect on the DNB Bank Group's business and operations, liquidity, results of operations and financial condition. Although the DNB Bank Group works closely with its regulators and continually monitors the regulatory framework and compliance, the timing and form of future changes in regulation can be unpredictable and are beyond the control of the DNB Bank Group. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have a material adverse effect on the DNB Bank Group's business, financial situation, results of operations, liquidity and/or prospects.

In addition, there can be no assurance that debt and equity investors, analysts and other market professionals will not expect higher capital buffers and that any such market expectations will not increase the DNB Bank Group's borrowing costs, limit its access to the capital markets or result in a downgrade of its ratings.

The Dodd-Frank Act

In the United States, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, of 2010 (the "**Dodd-Frank Act**") has led to significant structural reforms affecting the financial services industry, including non-U.S. banks, by addressing, among other issues, systemic risk oversight, bank capital standards, the orderly liquidation of failing systemically significant financial institutions, and over-the-counter derivatives. The Dodd-Frank Act also contains the Volcker Rule, which broadly prohibits banking entities, including the Bank and all of its global affiliates, from proprietary trading and sponsoring or investing in hedge, private equity and similar funds, subject to a number of exceptions.

The Department of the Treasury, the Financial Stability Oversight Council, the Securities and Exchange Commission, the Commodity Futures Trading Commission (the "**CFTC**"), Federal Reserve Board, the Office of the Comptroller of the Currency (the "**OCC**"), and the Federal Deposit Insurance Corporation (the "**FDIC**") are engaged in extensive rule-making mandated by the Dodd-Frank Act. While many of the regulations under Dodd-Frank have been finalized or proposed, significant uncertainty remains on the overall impact Dodd-Frank could have on the Bank or the financial services industry as a whole.

No assurance can be given that the Dodd-Frank Act and related regulations or any other new legislative changes enacted will not have a significant impact on the Bank."

The risk factor entitled "*The Notes may become subject to provisions requiring liabilities to be written down or converted to equity*" on page 28 of the Base Prospectus shall be deemed deleted.

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 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.