



## **DNB BOLIGKREDITT AS**

*(incorporated in Norway)*

**€60,000,000,000**

### **Covered Bond Programme**

Under this €60,000,000,000 Covered Bond Programme (the “**Programme**”), DNB Boligkreditt AS (the “**Issuer**”) may from time to time issue covered bonds issued in accordance with the Norwegian Act on financial institutions and financial groups of 10 April 2015 No. 17, Chapter 11, Sub-Chapter II and appurtenant regulations (“**Covered Bonds**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Covered Bonds may be issued in (i) bearer form (“**Bearer Covered Bonds**”), (ii) registered form (“**Registered Covered Bonds**”) or (iii) uncertificated and dematerialised book entry form, registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which, unless otherwise specified in the applicable Final Terms, will be the Verdpapirsentralen (“**VPS**”), VP Securities Services (*Værdipapircentralen A/S*), the Danish central securities depository (“**VP**”), Nordic Central Securities Depository (*NCSD Systems Aktieföretag*), the Swedish central securities depository (“**VPC**”) (together, the “**VP Systems Covered Bonds**”) and/or any other clearing system as may be specified in the applicable Final Terms or Pricing Supplement (as defined below) in the case of Exempt Covered Bonds (as defined below).

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed €60,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Covered Bonds may be issued on a continuing basis to one or more of the Dealers specified under “**Overview of the Programme**” and any additional Dealer appointed under the Programme from time to time (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an on-going basis. References in this base prospectus (the “**Base Prospectus**”) to the “**relevant Dealer**” shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Covered Bonds.

**An investment in Covered Bonds issued under the Programme involves certain risks. For a discussion of these risks see pages 9-34.**

This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Regulation (as defined below). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank should not be considered as an endorsement of the Issuer or of the quality of the Covered Bonds. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

Such approval relates only to the Covered Bonds issued under the Programme (other than the Exempt Covered Bonds, the Swiss Domestic Covered Bonds and the VP Systems Covered Bonds which are not cleared through VPS, VP or VPC) that are to be admitted to trading on the regulated market (the “**Regulated Market of Euronext Dublin**”) of the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) or on another regulated market in the European Economic Area (the “**EEA**”) or the United Kingdom (the “**UK**”) for the purposes of Directive 2014/65/EU (as amended) (“**MiFID II**”) and/or which are to be offered to the public in any Member State of the EEA or the UK in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Covered Bonds issued under the Programme (other than the Exempt Covered Bonds, the Swiss Domestic Covered Bonds and the VP Systems Covered Bonds which are not cleared through VPS, VP or VPC) within 12 months of this Base Prospectus to be admitted to trading on its official list (the “**Official List**”) and trading on the Regulated Market of Euronext Dublin. The Regulated Market of Euronext Dublin is a regulated market for the purposes of MiFID II. In addition, application has been made to register the Programme on the SIX Swiss Exchange. Upon specific request, Covered Bonds (other than VP Systems Covered Bonds) issued under the Programme may then be listed on the SIX Swiss Exchange.

References in this Base Prospectus to Covered Bonds being “**listed**” (and all related references) shall mean that such Covered Bonds are intended to be (i) admitted to trading on the Regulated Market of Euronext Dublin and are intended to be listed on the Official List or (ii) admitted to trading on the standard for bonds of the SIX Swiss Exchange, as the case may be.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Covered Bonds which are to be admitted to trading on a regulated market in the EEA or the UK for the purposes of MiFID II. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Covered Bonds which are to be admitted to trading on a regulated market in the EEA for the purposes of MiFID II (and for these purposes, references to the EEA include the UK). References in this Base Prospectus to “**Exempt Covered Bonds**” are to Covered Bonds for which no prospectus is required to be published under the Prospectus Regulation and which are not Swiss Domestic Covered Bonds.

Notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and certain other information which is applicable to each Tranche (as defined under “**Terms and Conditions of the Covered Bonds**”) of Covered Bonds (other than in the case of Exempt Covered Bonds) will be set out in a Final Terms document (“**Final Terms**”) which, with respect to Covered Bonds to be listed on the Official List, will be delivered to the Central Bank and filed with Euronext Dublin or, with respect to Covered Bonds to be listed on the SIX Swiss Exchange, will be delivered to the SIX Swiss Exchange. Copies of the Final Terms in relation to Covered Bonds listed on the Official List and admitted to trading on the Regulated Market of Euronext Dublin will be published on the website of Euronext Dublin at [www.ise.ie](http://www.ise.ie). In the case of Exempt Covered Bonds, notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the “**Pricing Supplement**”).

The Programme provides that Covered Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue Covered Bonds which are not listed or admitted to trading on any market.

The Central Bank has neither reviewed nor approved any information in this Base Prospectus pertaining to Exempt Covered Bonds and Swiss Domestic Covered Bonds and the Central Bank assumes no responsibility in relation to issues of Exempt Covered Bonds and Swiss Domestic Covered Bonds.

The Covered Bonds issued under the Programme are expected to be assigned an “AAA” rating by S&P Global Ratings Europe Limited (“**S&P**”) and an “Aaa” rating by Moody’s Investors Service Limited (“**Moody’s**”).

Each of S&P and Moody’s is established in the European Union or the UK, as the case may be, and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such each of S&P and Moody’s is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

The Issuer may also issue covered bonds which are unrated or rated below “AAA” by S&P and/or “Aaa” by Moody’s. Details of the ratings of the Covered Bonds will be specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Covered Bonds). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Covered Bonds will be calculated by reference to one of LIBOR, EURIBOR, STIBOR, NIBOR or CIBOR as specified in the relevant Final Terms. As at the date of this Base Prospectus, each of ICE Benchmark Administration (as the administrator of LIBOR) and the European Money Markets Institute (as administrator of EURIBOR) is included in ESMA’s register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”) and, the administrators of STIBOR, NIBOR and CIBOR are not included in ESMA’s register of administrators under Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Swedish Bankers’ Association (as administrator of STIBOR), Norske Finansielle Referanser (as administrator of NIBOR) and Finance Denmark (as administrator of CIBOR) are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

**Arranger**  
**Barclays**

**Dealers**  
**BNP PARIBAS**  
**Credit Suisse**  
**Goldman Sachs International**  
**Nomura**  
**UBS Investment Bank**

**Barclays**  
**Commerzbank**  
**DNB Bank**  
**Landesbank Baden-Württemberg**  
**UniCredit Bank**

**Citigroup**  
**Deutsche Bank**  
**HSBC**  
**NORD/LB**

**This Base Prospectus constitutes a base prospectus in respect of all Covered Bonds other than Exempt Covered Bonds and Swiss Domestic Covered Bonds issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, “Prospectus Regulation” means Regulation (EU) 2017/1129.**

**The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Covered Bonds issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.**

**This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference”). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Base Prospectus.**

**Other than in relation to the documents which are deemed to be incorporated by reference (see “Documents Incorporated by Reference”), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus.**

**Neither the Arranger nor the Dealers have independently verified (i) the information contained herein or (ii) any statement, representation, or warranty, or compliance with any covenant, of the Issuer contained in any Covered Bonds or any other agreement or document relating to any Covered Bonds or made in connection with the Programme, or any other agreement or document relating to the Programme. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Arranger as to (a) the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or (b) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of any Covered Bonds or any other agreement or document relating to any Covered Bonds or the Programme. No Dealer or the Arranger accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Arranger nor any Dealer assumes any fiduciary obligation to any investor in any Covered Bonds issued under the Programme.**

**No person is or has been authorised by the Issuer, the Dealers or the Arranger to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger.**

**Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, any of the Dealers or the Arranger that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer by or on behalf of the Issuer, any of the Dealers or the Arranger to any person to subscribe for or to purchase any Covered Bonds.**

**Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Covered Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other**

information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Arranger expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Covered Bonds issued under the Programme of any information coming to their attention.

#### **IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF COVERED BONDS GENERALLY**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Arranger do not represent that this Base Prospectus may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Arranger which is intended to permit a public offering of any Covered Bonds or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Covered Bonds. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the United States, the EEA, the UK, Norway, Denmark, The Netherlands and Japan, see “Subscription and Sale” below.

The Covered Bonds may not be a suitable investment for all investors. Each potential investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Covered Bonds and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Covered Bonds are legal investments for it, (2) Covered Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its

purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

**IMPORTANT – EEA AND UK RETAIL INVESTORS** – If the Final Terms in respect of any Covered Bonds (or Pricing Supplement, in the case of Exempt Covered Bonds) includes a legend titled “Prohibition of Sales to EEA and UK Retail Investors”, the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU)2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the “PRIIPs Regulation”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Covered Bonds (or Pricing Supplement, in the case of Exempt Covered Bonds) will include a legend titled “MiFID II product governance” which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Covered Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Bearer Covered Bonds of each Tranche (other than Swiss Domestic Covered Bonds) will initially be represented by a temporary global Covered Bond in bearer form (a “Temporary Bearer Global Covered Bond”) which will (i) if the temporary global Covered Bonds are intended to be issued in new global Covered Bond (“NGCB”) form, as specified in the applicable Final Terms (or applicable Pricing Supplement in the case of Exempt Covered Bonds), be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”); and (ii) if the temporary global Covered Bonds are not intended to be issued in NGCB form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the “Common Depositary”) for Euroclear and Clearstream, Luxembourg. The Temporary Bearer Global Covered Bond will be exchangeable, as specified in the applicable Final Terms or, as the case may be the applicable

Pricing Supplement, for either a permanent global Covered Bond in bearer form (a “Permanent Bearer Global Covered Bond”) or, in certain limited circumstances, Bearer Covered Bonds in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms or, as the case may be, the applicable Pricing Supplement, will specify that a Permanent Bearer Global Covered Bond (other than Swiss Domestic Covered Bonds) either (i) is exchangeable (in whole but not in part) for definitive Covered Bonds upon not less than 60 days’ notice or (ii) is only exchangeable (in whole but not in part) for definitive Covered Bonds following the occurrence of an Exchange Event (as defined under “Form of the Covered Bonds”), all as further described in “Form of the Covered Bonds” below. In respect of each Tranche of Swiss Domestic Covered Bonds, unless otherwise specified in the applicable Final Terms the Issuer will deliver a permanent Global Covered Bond which will be deposited on or prior to the original issue date of the Tranche with SIX SIS AG, the Swiss Securities Services Corporation located in Olten, Switzerland (“SIX SIS AG” or the “Intermediary” which expressions shall include any other clearing institution recognised by the SIX Swiss Exchange).

Bearer Covered Bonds are subject to U.S. tax law requirements, and, subject to certain exceptions, may not be offered, resold or delivered within the United States to, or for the account or benefit of, United States persons. See “Subscription and Sale” below.

Unless otherwise provided with respect to a particular Series (as defined under “Terms and Conditions of the Covered Bonds”) of Registered Covered Bonds, the Registered Covered Bonds of each Tranche will be represented by a permanent global Covered Bond in registered form, without interest coupons (a “Registered Global Covered Bond”), deposited with a common safekeeper for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants or, in the case of Swiss Domestic Covered Bonds, deposited with the Intermediary and registered in the name of a nominee of the Intermediary. Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of Covered Bonds, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue (the “Distribution Compliance Period”), beneficial interests in the Registered Global Covered Bond may not be offered or sold to, or for the account or benefit of, a U.S. person except in accordance with Regulation S or pursuant to any other applicable exemption from the registration requirements of the Securities Act. Registered Covered Bonds in definitive form will, at the request of the holder (save to the extent otherwise indicated in the applicable Final Terms (or applicable Pricing Supplement in the case of Exempt Covered Bonds)), be issued in exchange for interests in the Registered Global Covered Bonds upon compliance with the procedures for exchange as described in “Form of the Covered Bonds”.

Each Tranche of VP Systems Covered Bonds will be issued in uncertificated and dematerialised book entry form, as more fully described under “Form of the Covered Bonds” below. On or before the issue date of each Tranche of VP Systems Covered Bonds entries may be made with VPS, VP or VPC (as the case may be) to evidence the debt represented by such VP Systems Covered Bonds to accountholders with VPS, VP or VPC (as the case may be). VP Systems Covered Bonds will be issued in accordance with the laws and regulations applicable to such VP Systems Covered Bonds from time to time.

In this Base Prospectus, references to websites or uniform resource locators (each, a “URL”) are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Base Prospectus. Non-incorporated items are also either not relevant for investors or are covered elsewhere in this Base Prospectus.

In this Base Prospectus, all references to: “U.S. dollars”, “U.S.\$” and “\$” refer to United States dollars; those to “CHF” refer to Swiss Francs; those to “NOK” refer to Norwegian kroner; those to “DKK” refer to Danish kroner; those to “SEK” refer to Swedish

kronor; those to “Yen” refer to Japanese yen; those to “Sterling” and “£” refer to pounds sterling; and those to “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In connection with the issue of any Tranche of Covered Bonds, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms or Pricing Supplement may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Covered Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

In accordance with article 109 of the Swiss Financial Services Ordinance, this Base Prospectus has been prepared in compliance with articles 652a and 1156 of the Swiss Code of Obligations, as such articles were in effect immediately prior to the entry into effect of the Swiss Financial Services Act (the “FinSA”), and the Listing Rules of SIX Swiss Exchange in their version dated 8 November 2019 and in force as of 1 January 2020. Consequently, this Base Prospectus has not been and will not be reviewed or approved by a Swiss review body pursuant to article 51 of the FinSA, and does not comply with the disclosure requirements applicable to a prospectus approved by such a review body under the FinSA.

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## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Covered Bonds issued under the Programme. All of these factors are contingencies which may or may not occur. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Covered Bonds or affect the value of the Issuer Cover Pool issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Covered Bonds issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Covered Bonds or the value of the Issuer Cover Pool may be affected for other reasons which may not be considered significant risks by the Issuer based on information currently available to it and which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

### **A. Risks Relating to the Macroeconomic Conditions**

*The outbreak of COVID-19 (and possibly other contagious diseases) may adversely impact the DNB Bank Group, including the Issuer.*

The outbreak of a novel strain of coronavirus, COVID-19, has already had a significant impact on global macroeconomic conditions and financial markets and the economic environments in Norway and the world. 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 SARS epidemic that occurred from November 2002 to July 2003. In March 2020, the World Health Organization declared COVID-19 to be a pandemic. 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. 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 to ascertain how long the outbreak of COVID-19 may last or how severe it will become and, consequently, the full impact that COVID-19 may have on the global economy, the Norwegian economy and/or the DNB Bank Group, including the Issuer's operations/prospects. Further, the outbreak and the present volatile situation means that the estimates provided in this Base Prospectus are even more uncertain than in a normal situation. If the outbreak of COVID-19 and the measures intended to contain the outbreak continues 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. Volatility in global financial and commodities markets may also remain elevated. This volatility, if it continues, could have a material adverse effect on the Issuer's customers and on the Issuer's business, financial condition and results of operations.

Measures implemented by governmental authorities across the world, including Norway, to contain the outbreak of COVID-19, such as school and university closings, business closings, travel restrictions, border controls, bans on public gatherings and other measures to discourage or prohibit the movement and gathering of people, are expected to have a material and adverse impact on the level of economic activity both globally and in Norway. The restrictions are being determined by the governments of individual jurisdictions (including through the implementation 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 to contain the outbreak will impact the Issuer's operations in a number of ways. 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 Issuer's business, loan portfolio, financial condition (including capital and liquidity) and results of operations.

*Weakening business conditions and economic activity in Norway may adversely affect the DNB Bank Group and the Issuer*

The performance of the Issuer and the DNB Bank Group and the level of mortgage borrowing in Norway depend on business conditions and economic activity in Norway, in particular interest rates, the state of the Norwegian economy and unemployment trends. Business conditions and economic activity in Norway are cyclical in nature and may be affected by both domestic and international economic and political events, and taxation.

In particular, the state of the Norwegian economy depends on the performance of the oil and gas industry. After reaching a peak in 2014, oil prices fell significantly in the second half of that year resulting in a significant depreciation of the Norwegian kroner and widening credit spreads. Although fluctuating somewhat in the following years, oil prices stabilised in the following years at average levels well below the 2014 peak.

Recently, the outbreak of the COVID-19 virus and the consequent significant decrease in demand of oil, coupled with the decision of the Organization of the Petroleum Exporting Countries ("OPEC") to remove all limits on oil production in March 2020, have caused a sharp drop in oil prices. Since reaching its lowest level on 21 April 2020, the Brent Spot oil price has increased significantly, in part due to agreements between OPEC and certain non-OPEC oil-producing countries to temporarily limit production. However, current price levels are still significantly below pre-March 2020 levels and there can be no assurance that crude oil prices will not decrease further. The price of crude oil continues to fluctuate significantly on a daily basis but remains low due to uncertainty surrounding production output levels and due to significantly lower demand. As a result, the level of oil investments in Norway is highly uncertain. The most recent estimates from Statistics Norway suggest a 3.5 per cent. reduction in oil investments for 2020, a 10.5 per cent. reduction in 2021, a 1.5 per cent. reduction in 2022 and a 4.0 per cent. reduction in 2023 (Source: *Statistics Norway*, 5 June 2020). However, as mentioned, these estimates are uncertain and there are more negative estimates from other analysts and researchers. If the low oil price persists, this could have a significant impact on oil investments for 2020 and the coming years. Continued low oil prices, high volatility in oil prices and reduced oil-related investments may have a material adverse effect on the Norwegian economy. The impact of these conditions could have a material adverse effect on the Issuer's business, financial condition and results of operations and its ability to perform its obligations under the Covered Bonds.

The unemployment rate in Norway has been at a historically low level in a European context. Unemployment reached a peak of 5 per cent. in mid-2016, reflecting the decline in activity in the petroleum sector and weaker growth in the Norwegian economy. However, since then, the unemployment rate has decreased, reaching 3.8 per cent. in December 2019 (Source: *Labour Force Survey (Statistics Norway and Norges Bank)*). The outbreak of the COVID-19 virus has caused a significant increase in registered unemployment in Norway, from approximately 65,000 on 10 March 2020 to approximately 300,000 on 31 March 2020. Thereafter, the number of registered unemployed has gradually decreased to 171,400 on 2 June 2020 (Source: *Statistics Norway*, 5 June 2020). Since these lay-offs are temporary, this has however not had an impact on the unemployment rate, which as of the end of March 2020 was at 3.6 per cent. (Source: *Labour Force Survey (Statistics Norway and Norges Bank)*). The temporary lay-offs will, however, impact the unemployment rate if the lay-offs last longer than three months. The high number of temporary lay-offs is a result of new measures where the government covers a significant part of the employees' salary.

The unemployment rate is expected to increase to 5.1 per cent. in 2020, for thereafter to decrease to 4.5 per cent. in 2021, 4.3 per cent. in 2022 and 4.1 per cent. in 2023 (Source: *Statistics Norway*, 5 June 2020). It is, especially in the current environment, very difficult to predict the unemployment rate going forward, and other estimates are more negative than those referred to above. A persistent lower oil price together with the outbreak of the COVID-19 may have a material adverse effect on the unemployment rate. Unemployment will lead to challenges for the DNB Bank Group's customers (especially young and/or low-income borrowers) to serve their obligations, including making payments under the Mortgage Loans (defined below). Defaults in Mortgage Loans may have a material

adverse effect on the Issuer's business, financial condition and results of operations and its ability to perform its obligations under the Covered Bonds.

*Norwegian households are exposed to a decrease in housing prices and increases in interest rates may impact the customers' ability to service the loans*

The Norwegian residential mortgage market is the most significant factor affecting the Issuer's financial condition and results of operations. During the period from 1993 to 2007, Norway experienced a strong increase in housing prices. During the second half of 2007 and throughout 2008, prices decreased somewhat. Stimulated by substantial cuts in interest rates, house prices in Norway started to increase in early 2009, reaching a peak in the first half of 2017. In Oslo, the increase in housing prices was particularly strong, which was a major reason why the Ministry of Finance tightened the rules for home mortgage lending effective as of January 2017. After the peak in the first half of 2017, house prices decreased somewhat (particularly significant in Oslo) but started increasing again from 2018 up until February 2020. Due to the outbreak of the COVID-19 virus and the lower activity as a result of efforts to contain the outbreak, house prices in Norway dropped by 0.9 per cent. (and in Oslo specifically, dropped by 2.2 per cent.) from February 2020 to April 2020, but increased in May to a level slightly above the February 2020 level (both for Norway and Oslo) (Source: *Housing prices statistics, Real Estate Norway*, 4 June 2020). House prices are expected to drop 1.0 per cent. in 2020 and thereafter to increase by 1.0 per cent. in 2021, 3.6 per cent. in 2022 and 2.9 per cent. in 2023 (Source: *Statistics Norway*, 5 June 2020). These estimates, however, are highly uncertain, and there are more negative estimates from other analysts/researches. The long-term effects of the outbreak of the COVID-19 and its impact on the Norwegian economy combined with slow growth in household incomes suggest uncertainty regarding further developments in house prices and a further drop in house-prices may occur. Stricter regulation of home mortgages may also continue to dampen house-price growth. A further drop in house prices, if accompanied by weakened economic conditions and/or higher unemployment, could have a material adverse effect on the Norwegian economy and a material adverse effect on the Issuer's financial condition. Negative developments in the housing market, particularly a further decline in housing prices, could also affect the Issuer by reducing the value of the Cover Pool relative to the statutory asset coverage requirement.

Norwegian customers have historically demonstrated a preference for floating rate mortgages, where lenders can increase the interest rate on six weeks written notice. Due to this, increases in interest rates could weaken the liquidity situation of certain borrowers and thereby their ability to make timely payments on their mortgages. Increases in the central bank policy rate generally leads to an increase in interest rate for borrowers. After increasing its policy rate in 2018 and 2019 to 1.25 per cent., Norges Bank, the central bank in Norway, has cut its policy rate several times, most recently on 7 May 2020 where such policy rate was cut to 0 per cent. However, since the floating rate interest is dependent on the money market rates, the mortgage interest rates will not necessarily be reduced correspondingly, and money market rates are likely to fluctuate even though the central bank policy rate is flat. As of 31 March 2020, floating rate mortgages constitute 93.8 per cent. of the total Cover Pool.

Should a continued decrease in housing prices materialise, and/or household indebtedness increase and/or interest rates increase from their current low levels, there could be a material increase in mortgage defaults, including mortgages issued by the Issuer, which in turn could have a material adverse effect on the Issuer's business, financial condition and results of operations.

*The Issuer's business, financial condition and results of operations have been and may continue to be adversely affected by the recent conditions in the global financial markets*

In addition to the outbreak of the COVID-19 described above, the global capital and credit markets have been characterised by volatility and disruption in recent years leading to a material reduction in the availability of financing. Although Norway is not a member of the European Union ("EU"), developments in the EU significantly affect Norway and the Issuer since the EU is one of Norway's principal trading partners, and Norway is a member of the broader EEA. In particular, global markets and economic conditions have been negatively impacted since 2010 by market perceptions regarding the ability of certain EU Member States to service their sovereign debt obligations, including

Greece, Ireland, Italy, Portugal and Spain. Up until the outbreak of the COVID-19, there was a general improvement compared with previous years, although economic growth remained weak as compared to pre-financial crisis growth rates. The outbreak of the COVID-19, the continued uncertainty over the outcome of the EU governments' financial support programmes and the possibility that other EU Member States may experience similar financial troubles could lead to further disruption in global markets. In particular, the continued uncertainty could in the future disrupt equity markets and result in volatile bond yields on the sovereign debt of EU members.

Economic conditions in the EU are further subject to the risks of slowdown and volatility as a result of the considerable uncertainty surrounding the consequences of the United Kingdom's departure from the EU on 31 January 2020 and uncertainty as to whether and to what extent this exit will also negatively impact the European markets. Until the final terms of the United Kingdom's exit from the EU are clearer, it is not possible to determine the impact that the United Kingdom's departure from the EU and/or any related matters may have on financial markets and the Issuer's business, financial condition and results of operations.

In addition, concerns about credit risk (including that of sovereigns) and the resilience of the Eurozone are continuing. The large sovereign debts and/or fiscal deficits of a number of European countries and the U.S. have raised concerns regarding the financial condition of financial institutions, insurers and other corporates (i) located in these countries; (ii) that have direct or indirect exposure to these countries; and/or (iii) whose banks, counterparties, custodians, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which the Issuer and the DNB Bank Group operate and the businesses and economic condition and prospects of the Issuer and the DNB Bank Group, directly or indirectly, in ways which it is difficult to predict.

Although the level of market disruption and volatility caused by the global financial crisis abated somewhat in 2015 and 2016, there are no assurances that these conditions will not recur or that similar events will not occur that have similar effects on the financial markets, in which case the Issuer may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values and/or increased impairments, increased volatility in swap valuation and lower profitability and revenues. Any of the foregoing factors could have a material adverse effect on the Issuer's business, financial condition and results of operations.

In the event of continued or increasing market disruptions or volatility, the Issuer may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values and/or increased impairments, higher volatility in swap valuations and lower profitability and revenues. Any of the foregoing factors could have a material adverse effect on the Issuer's business, financial condition and results of operations.

## **B. Risks Relating to the Issuer's business and the Issuer's portfolio**

### *The Issuer and the DNB Bank Group face competition in the Norwegian residential mortgage market*

The Issuer and the DNB Bank Group face intense competition in the residential mortgage market in Norway, primarily from financial institutions based in Norway and the Nordic region. The Issuer and the DNB Bank Group may face pricing pressure in certain areas of their operations in the future as competitors seek to increase market share by reducing prices or offering new services at low prices. The Norwegian banking market in particular has witnessed intensifying competition, which has resulted in narrower lending spreads and could make it more difficult for the Issuer to originate new residential Mortgage Loans (as defined below) that meet the eligibility criteria under the Norwegian covered bond legislation. There can be no assurance that existing or increased competition in the Norwegian banking sector will not adversely affect the Issuer's results of operations, financial condition and business prospects and its ability to perform its obligations under the Covered Bonds.

*Credit risk relating to the Issuer's collateral under Mortgage Loans in the Issuer Cover Pool and the Issuer's derivative agreements*

The following mortgage products (collectively, the “**Mortgage Loans**”) are offered by the Issuer: (i) Floating Interest Rate Home Equity Credit Line (*rammekreditt*); (ii) Floating Interest Rate Mortgage Loans; and (iii) Fixed Interest Rate Mortgage Loans that are subject to a fixed interest rate for a specified period of time (three, five or ten years).

There are many circumstances that affect the level of credit risk under the Mortgage Loans, including early repayments, withdrawals and final payments of interest and principal amounts, changes in economic conditions, both domestically and internationally, changes regarding taxation, interest rate developments, inflation and political changes. Borrowers may default as a result of interest rate increases or as a result of changes in their own personal circumstances (e.g. following redundancy or divorce).

If the real property comprising the collateral is foreclosed upon, and the defaulting borrower does not respond to a notice to pay within two weeks, a court order may be needed to establish the borrower's obligation to pay and to force an auction or public sale of the foreclosed property. The Issuer's ability to liquidate the collateral is thus dependent upon receipt of a court order, on the success of the auction or public sale process, on other relevant circumstances in the mortgage market and on prevailing levels of demand for the relevant real property. Usually, prices obtained after foreclosure are lower compared with prices obtained upon a voluntary sale.

Credit risk also arises under the Issuer's derivative agreements to the extent they have a positive fair value on the balance sheet. Because all derivative agreements (both those with a current positive fair value and current negative fair value) are entered into with DNB Bank, the Issuer is therefore exposed to the credit risk of DNB Bank under its derivative agreements.

Default in respect of the Mortgage Loans or derivative financial instruments that comprise the Cover Pool could jeopardise the Issuer's ability to make payments in full or on a timely basis on the Covered Bonds. If a material amount of assets in the Issuer Cover Pool were to default, there is no guarantee that the required level of assets within the Issuer Cover Pool could be maintained or that the Issuer would be able to substitute non-defaulting assets for the defaulting assets. Any such failure could adversely affect the Issuer's results of operations, financial condition and business prospects and its ability to perform its obligations under the Covered Bonds.

*Market risk*

The Issuer is exposed to market risk related to its assets and liabilities and its hedging strategy (pursuant to which it swaps covered bonds denominated in foreign currencies to NOK and to fixed rate to floating rate short-term interest).

Though the Issuer seeks to address currency and interest rate risk through swap agreements with DNB Bank, it may be exposed to currency risk and greater interest rate risk if for any reason DNB Bank no longer continues to perform the function of swap provider. See “*Risks related to the obligations of DNB Bank as Servicer, swap provider, liquidity provider and lender*” and “*Risks related to Hedging Arrangements – Reliance on currency swaps*” and “*– Reliance on interest rate swaps*”.

Furthermore, the Issuer is exposed to basis risk, i.e. the risk, arising from the Issuer's hedging relationships with DNB Bank, that the change in price/value of the hedging instrument may not entirely match the change in price/value of the item being hedged, due to the fact that the instrument has different duration, liquidity risk, yield curve, etc. This imperfect correlation between the hedging instrument and the hedging object creates fluctuations in the Issuer's comprehensive income, which could have a material impact on the Issuer's results of operations.

*Liquidity risks*

The Mortgage Loans which constitute the primary assets of the Cover Pool are to a large extent made on longer contractual terms than the Issuer's borrowing. Therefore, the Issuer is

dependent on the ability to refinance its borrowings upon maturity and draw from the Overdraft Facility in place with DNB Bank. If the average maturity of the Mortgage Loans in the Issuer Cover Pool were to increase significantly beyond the historical average, or if DNB Bank fails to perform its obligations as liquidity provider under the Overdraft Facility for any reason, or the Overdraft Facility becomes fully drawn or no longer in place, the Issuer may encounter difficulties in meeting its payment obligations as they fall due. See *“Risks relating to the obligations of DNB Bank as Servicer, swap provider, liquidity provider and lender”*.

During the past several years, including during the current outbreak of COVID-19, turmoil and uncertainty in the financial markets have at times made it more expensive for certain borrowers to obtain funding or made funding inaccessible for periods of time. Depending on overall market conditions, there is a risk that the Issuer will either be unable to refinance its borrowings as they fall due, or that it will be required to do so at a cost significantly higher than originally anticipated. This could adversely impact the Issuer's results of operations, financial condition and ability to perform its obligations under the Covered Bonds.

*Risks relating to the obligations of DNB Bank as Servicer, swap provider, liquidity provider and lender*

The Issuer relies on DNB Bank to service all of the Mortgage Loans in the Issuer Cover Pool on behalf of the Issuer in accordance with the Service Agreement. If in the future DNB Bank is unable to perform its obligations as Servicer for any reason, the appointment of a new servicer would be required. However, if such appointment is required, the transfer of the servicing function could result in delays and/or losses in collections under the Mortgage Loans in the Issuer Cover Pool.

The Issuer may in the future purchase mortgages from sellers other than DNB Bank, who may then service the mortgage loans they have sold to the Issuer. Though such sellers are expected to be members of the DNB Group and any servicing arrangements would be on terms substantially similar to those contained in the Service Agreement between the Issuer and DNB Bank and would contain a right on the part of the Issuer to terminate upon material breach by the servicer, the addition of a new servicer and in particular any breach by, or failure of, that servicer to perform its obligations could create operational and administrative difficulties for the Issuer and could adversely affect the Issuer's results of operations, financial condition and business prospects and its ability to perform its obligations under the Covered Bonds.

Additionally, the Issuer is reliant on DNB Bank as a swap provider under the Issuer's derivatives contracts, and as the provider of an overdraft facility under the Service Agreement. See *“Certain Provisions of Key Transaction Documents”*. If DNB Bank is unable to perform the function of swap provider, liquidity provider and/or lender for any reason, it could be difficult for the Issuer to find a replacement swap provider, liquidity provider or lender, in particular a swap provider, liquidity provider or lender, that would ensure the credit ratings of the Issuer, which may result in greater risk exposure or losses for the Issuer, and which could adversely affect the Issuer's results of operations, financial condition and business prospects and its ability to perform its obligations under the Covered Bonds.

*No due diligence on Mortgage Loans*

The Issuer has not undertaken, nor will it undertake, any investigations, searches or other actions in respect of the Mortgage Loans and other assets originated by DNB Bank contained or to be contained in the Issuer Cover Pool, but instead fully relies on the warranties of DNB Bank under the Master Sale Agreement and/or Service Agreement. Accordingly, there can be no assurance that Mortgage Loans actually in the Issuer Cover Pool at any given time complied, at the time of transfer into the Issuer Cover Pool, with the eligibility criteria under Norwegian covered bond legislation.

*The Issuer is exposed to changing methodology by rating agencies*

The Issuer is exposed to changes in the rating methodologies applied by the rating agencies. On 19 April 2018, S&P's published its criteria for resolution counterparty ratings. These criteria present a new special-purpose rating type applicable to certain financial institutions subject to a bail-in resolution policy framework. Although covered bonds are not within the scope of these criteria, S&P's

have proposed revising the covered bonds criteria using the resolution counterparty ratings as an input. Any adverse changes to such rating methodologies may materially and adversely affect the Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and the Issuer's reputation in the capital markets.

### **C. Risks relating to the Issuer Cover Pool**

#### *Non-compliance with over-collateralisation rules*

The act on financial institutions and financial groups of 10 April 2015 No 17, with appurtenant regulations (the "**Financial Institutions Act**") Section 11-11 requires the value of the assets in the Issuer Cover Pool to at all times exceed the value of the bonds with a preferential claim over the Issuer Cover Pool, (taking into account the effects of covered bond swaps). On 29 March 2017, the Norwegian Ministry of Finance (the "**Ministry**") amended the Financial Institutions Regulation and introduced regulations stating that the value of the cover pool to be at least 102 per cent. of the value of the covered bonds which are secured by the cover pool (over collateralisation).

On 27 November 2019, the EU enacted a new covered bonds framework consisting of Directive (EU) 2019/2162 and Regulation (EU) 2019/2150 (the "**EU Framework**") (see "*Harmonisation of the EU Covered Bond Framework*" below). On 13 January 2020, the Norwegian Financial Supervisory Authority (*Finanstilsynet*) (the "**NFSA**") released a consultation paper (the "**Consultation Paper**") relating to the EU Framework. In the Consultation Paper, the NFSA has suggested to increase the overcollateralisation requirement from 102 per cent. to 105 per cent.

The Issuer covenants under the Terms and Conditions of the Covered Bonds that at any time, the nominal par value (the "**Value**") of the loans in the Issuer Cover Pool (but excluding the nominal par value of each loan within the Issuer Cover Pool which is in arrears for 90 days or longer as well as that part of any mortgage that exceeds the relevant upper limit set forth in Norwegian legislation for the loan to value ratios ("**LTVs**") for the respective type of Collateral) will not be less than 102 per cent. of the outstanding principal amount of all Covered Bonds issued under the Programme and any other mortgage covered bonds of the Issuer in issue at the relevant time.

Despite a modest increase in housing prices over the past several years, there has been a decline in the collateral value of a limited number of the Issuer's loans (due to declining housing prices for certain houses within specific segments of the market (e.g. the high price segment and non-urban areas) or because the collateral securing a particular loan has degraded somewhat), with the result that the LTVs have in certain cases exceeded the 75 per cent. requirement. When calculating over-collateralisation according to Norwegian legal requirements, the portion of the loans exceeding the 75 per cent. limit (for Residential Mortgages) and the 60 per cent. limit (for Other Property Mortgages) should not be included in the calculation. In addition, defaulted loans should not be included.

As at 31 March 2020, the Issuer had NOK 4.3 billion of loans that were not eligible to be included in the over-collateralisation calculation. These assets represent Mortgage Loans that are still eligible to be included in the Issuer Cover Pool, but they are not eligible when calculating over-collateralisation pursuant to the Financial Institutions Act. In the event of a significant decrease in housing prices, the amount of these Mortgage Loans could materially increase, thereby reducing the value of the Issuer Cover Pool and relative to the over-collateralisation requirements. Failure to maintain sufficient quality and quantity of assets in the Issuer Cover Pool could result in the Issuer being unable to issue further Covered Bonds or refinance existing Covered Bonds.

#### *Public Administration of the Issuer*

Pursuant to the provisions of the Financial Institutions Act, credit institutions (*kreditforetak*) such as the Issuer are not subject to ordinary bankruptcy proceedings but may instead be placed under public administration. Public administration entails that an institution's governing bodies are replaced by an administrative board appointed by the NFSA which assumes control over the institution. The administrative board will attempt either to restructure and continue the institution's business or, in the absence of viable alternatives, to liquidate the institution and distribute its assets to

its creditors. The NFSA may pass resolutions in relation to the implementation of the public administration.

In the event of public administration of the Issuer, the Issuer expects that timely payments will be made on the Covered Bonds provided the Issuer Cover Pool is essentially in compliance with the statutory requirements. There can be no assurance, however, that such timely payments will be made. The administrative board may take any action considered necessary to ensure that the holders of the Covered Bonds and the swap providers receive timely payment on the Covered Bonds and any swaps, including selling assets in the Issuer Cover Pool and issuing new covered bonds and entering into new derivative instruments with a right of priority in respect of the assets in the Issuer Cover Pool. If the Issuer is unable to make the contractual payments due to Covered Bondholders and swap providers, the administrative board will set a date to halt payments. When a halt to payments is introduced, further administration of the Issuer will continue in accordance with Norwegian bankruptcy law. The administrative board will inform the Covered Bondholders and, if applicable, the swap providers at the earliest opportunity of any such halt to payments and the date on which such halt to payments will be introduced, and it will consult with them in relation to any material decisions in respect thereof.

The amount of claims with a preferential right to priority over the assets in the Issuer Cover Pool will be calculated as at the date on which the halt to payments was introduced and as the discounted value of the relevant claim, including both principal and interest.

The public administration board may, with the agreement of the relevant Swap Provider, agree to continue the currency swaps following the introduction of a halt to payments on the Covered Bonds if that would be in the best interests of the relevant parties.

To the extent that Covered Bondholders are not fully paid from the proceeds of the liquidation of the assets comprising the Issuer Cover Pool, they will be able to apply for the balance of their claims as unsecured creditors of the Issuer and will be entitled to receive payment from the proceeds of the liquidation of the other assets of the Issuer not comprising the Issuer Cover Pool. The Covered Bondholders would in such case rank *pari passu* with any other covered bondholders (including those under the U.S. Programme), providers of covered bond swaps and the other unsecured, unsubordinated creditors of the Issuer (except to the extent claims of such creditors are preferred by law) and, as a result, may not receive all amounts owed by the Issuer to such Covered Bondholders.

#### *The Issuer Cover Pool consists of limited assets*

The Issuer Cover Pool consists of Mortgage Loans which are secured by interests in property, claims which the Issuer holds, or may acquire, against providers of Covered Bond swaps and certain substitute assets. All assets in the Issuer Cover Pool must comply with the terms of the Financial Institutions Act with appurtenant regulations. The Financial Institutions Regulation Section 11-4 determines the maximum loan-to-value ratio of mortgages at the point they are included in the Issuer Cover Pool (at the date of this Base Prospectus, the value is 75 per cent. of the prudent market value in the case of Residential Mortgages). At the date of this Base Prospectus, all of the properties securing Mortgage Loans in the Issuer Cover Pool are in Norway. The value of the Issuer Cover Pool may therefore decline in the event of a more general downturn in the value of property in Norway, which usually happens concurrently with a general downturn in the economy, the latter of which could lead to increased impairments and thereby could adversely affect the Issuer's results of operations, financial condition and business prospects and its ability to perform its obligations under the Covered Bonds.

#### *Limited description of the Issuer Cover Pool*

Covered Bondholders will receive only limited statistics and other information in relation to the Mortgage Loans in the Issuer Cover Pool, which will be set out in the most recent Issuer Report available immediately preceding the relevant issuance. See "*Certain Information Regarding the Issuer Cover Pool*". Issuer Reports are published by the Issuer quarterly and reflect Issuer Cover Pool data determined at 31 March, 30 June, 30 September and 31 December in each year.



Covered Bondholders will not receive detailed statistics or information in relation to the mortgages or other assets contained or to be contained in the Issuer Cover Pool, as it is expected that the constitution of the Issuer Cover Pool may, subject to eligibility criteria under Norwegian covered bond legislation, change from time to time due to, for example, the purchase or origination of further mortgages by the Issuer from time to time and repayment by borrowers of mortgages. Incomplete statistics and/or information could, if relied upon, provide an inaccurate picture of the Issuer Cover Pool which in turn could adversely affect the position of the Investors.

Although an independent inspector appointed under the Financial Institutions Act will monitor the Issuer's compliance with some of the requirements of the Financial Institutions Act, the report of such inspector is not publicly available. There is no assurance that the characteristics of the Issuer Cover Pool will not change after the date of the most recent quarterly investor report included or incorporated by reference in the Base Prospectus. Any changes in the characteristics of the Issuer Cover Pool after the date of the most recent quarterly investor report, could adversely affect the position of the investors.

*Borrowers under interest-only mortgages may not be able to pay the increased amounts falling due over the term remaining after the interest-only term*

Though borrowers under interest-only mortgages make interest payments over the entire term of the mortgage, they repay all principal amounts over the shorter term remaining after the end of the interest-only term. The interest-only term typically ends no more than five years after the mortgage is originated. The ability of a borrower to repay the principal amounts due over the remaining term of an interest-only mortgage depends on, amongst other things, the financial standing of the borrower, tax laws in force during the term of the mortgage and general economic conditions at the time. There can be no assurance that a borrower will have sufficient funds to pay the increased amounts falling due over the term remaining after the interest-only term. In addition, if real estate prices decrease significantly from the levels prevailing at the time an interest-only mortgage loan was originated, borrowers may have difficulty refinancing the principal balance of a mortgage loan at the end of the interest-only term. If for any reason a significant number of borrowers cannot pay the increased amounts due on an interest-only mortgage loan after the end of the interest-only term, this may have a material adverse effect on the Issuer's business, financial condition and results of operations.

Even though the DNB Bank Group (including the Issuer) generally has not implemented payment holidays or forbearance measures, there has, as a result of the outbreak of COVID-19, been an increase of customer applications to amend the mortgages to be interest-only. As at 31 March 2020, interest-only residential mortgages comprised 25.9 per cent. of the Issuer Cover Pool, compared to 20.7 per cent. as at 31 December 2019. The vast majority of the increase of interest-only mortgages is related to instalment suspensions of up to 12 months.

#### *Overdraft Facility*

In order to maintain its credit ratings in respect of the Covered Bonds, the Issuer draws on an overdraft facility from DNB Bank to ensure that, at the time of issue, the Covered Bonds benefit from structural subordination of amounts drawn under such overdraft facility, as such amounts do not rank as priority claims on the Issuer Cover Pool. There is no certainty that the overdraft facility from DNB Bank will continue for the life of the Covered Bonds or that DNB Bank will meet its obligations under such facility. To the extent that the overdraft facility is not maintained, or if DNB Bank is unable to meet its obligations thereunder, the amount of over-collateralisation of the Issuer Cover Pool could be reduced. If the amount of over-collateralisation of the Issuer Cover Pool is reduced for any of these reasons, or if the over-collateralisation of the Issuer Cover Pool is reduced for any other reason, this could adversely affect the Issuer's results of operations, financial condition and business prospects, and its ability to perform its obligations under the Covered Bonds.

#### *Geographic concentration risks*

Certain geographic regions of Norway from time to time will experience weaker regional economic conditions and housing markets or be directly or indirectly affected by natural disasters or civil disturbances. Mortgage Loans in the Issuer Cover Pool in such areas will experience higher rates

of loss and delinquency than Mortgage Loans in the Issuer Cover Pool generally. While the Mortgage Loans are not particularly geographically concentrated in areas in which the oil and gas industry is present (e.g. the Stavanger region), there is a concentration in the Oslo area (where the volatility in the house prices has been highest).

The ability of borrowers to make payments on the Mortgage Loans in the Issuer Cover Pool may also be affected by factors which do not necessarily affect property values, such as adverse economic conditions generally in particular geographic areas or industries (such as oil and gas), or affecting particular segments of the borrowing community (such as borrowers relying on commission income and self-employed borrowers). Such occurrences may accordingly affect the actual rates of delinquencies, foreclosures and losses with respect to the Mortgage Loans in the Issuer Cover Pool.

The Mortgage Loans underlying certain series of Covered Bonds may be concentrated in certain regions. Such concentration may present the risk considerations described above in addition to those generally present for similar securities without such concentration.

### *Appraisals*

Appraisals or valuation of the properties securing the Mortgage Loans in the Issuer Cover Pool take one of three forms: (1) in the case of a loan to finance (rather than refinance) the acquisition of a property, the transaction sale price determines the valuation for mortgage lending purposes, (2) an independent appraisal conducted by a licensed appraiser or a real estate agent is obtained or (3) a valuation from *Eiendomsverdi*, an automated valuation model provider which compiles information on nearly all residential property transactions in Norway, is used. Such an automated valuation model does not consider the current state or physical condition of a property, which may be worse than the condition assumed by such model. For the ongoing valuation of the collateral underlying the Issuer Cover Pool, which takes place quarterly for investor information and rating agency reporting purposes, the automated valuation model is used.

In the case of those Mortgage Loans in the Issuer Cover Pool for which an appraisal conducted by a licensed appraiser or estate agent was used, such appraisal reflects the individual appraiser or estate agent's judgment as to value, based on the market values of comparable homes sold within the recent past in comparable nearby locations and on the estimated replacement cost.

No assurance can be given that values of the properties underlying the Mortgage Loans in the Issuer Cover Pool have remained or will remain at the levels which existed on the dates of appraisal (or, where applicable, on the dates of appraisal updates) of the related Mortgage Loans. See "*The Issuer is subject to risks relating to the Norwegian mortgage market*".

The appraisal relates both to the land and to the structure; in fact, a significant portion of the appraised value of a property may be attributable to the value of the land. Because of the unique locations and special features of certain properties, identifying comparable properties in nearby locations may be difficult. The appraised values of such properties will be based to a greater extent on adjustments made by the appraisers to the appraised values of reasonably similar properties rather than on objectively verifiable sales data. As a result, such appraisals could be more likely to overvalue certain properties and therefore overstate the value of the collateral underlying the Issuer Cover Pool.

Consequently, there can be no assurance that, upon enforcement, all amounts owed by a borrower under a Mortgage Loan in the Issuer Cover Pool can be recovered from the proceeds of a sale of the property securing the related Mortgage Loan, or that foreclosure proceeds will be at least equal to the appraised value of such property. Any shortfalls on enforcement may have a material adverse effect on the Issuer's results of operations, financial condition and its ability to perform its obligations under the Covered Bonds.

### *Underwriting guidelines*

The Mortgage Loans in the Issuer Cover Pool were originated by the Issuer, DNB Bank or other entities from whom the Issuer has purchased mortgage loans, in each case pursuant to certain established underwriting guidelines and, in certain cases, based on exceptions to those guidelines.

Although these guidelines have been designed to identify and appropriately assess the repayment risks associated with the origination of the Mortgage Loans in the Issuer Cover Pool, it cannot be ensured in all cases that the interest and principal payments due on a Mortgage Loan in the Issuer Cover Pool will be paid or repaid when due, or at all, or whether the value of the property securing the relevant Mortgage Loan will be sufficient to otherwise provide for recovery of such amounts. To the extent exceptions were made to an originator's underwriting guidelines in originating a Mortgage Loan, those exceptions may increase the risk that principal and interest amounts may not be received or recovered and compensating factors, if any, which may have formed the basis for making an exception to the underwriting guidelines, may not in fact compensate for any additional risk.

Any increased risk that principal and interest amounts may not be received or recovered in respect of the Mortgage Loans in the Issuer Cover Pool could have a material adverse effect on the Issuer's business, financial condition and results of operations and its ability to perform its obligations under the Covered Bond.

#### **D. Risks relating to Hedging Arrangements**

The Issuer may enter into currency swaps and/or interest rate swaps in order to hedge certain risks that exist in respect of the Issuer Cover Pool and the Covered Bonds.

If either the Issuer or a swap provider fails to make timely payments of amounts due under the Covered Bond Swaps, or certain other events occur in relation to either the Issuer or a swap provider and any applicable grace period expires, then a termination event will occur under the relevant swap agreement. If the Issuer defaults under a swap agreement due to non-payment or otherwise, the relevant swap provider will not be obliged to make further payments under that swap (unless the Issuer has satisfied in full all its payment or delivery obligations under the relevant swap agreement) and may terminate the swap(s) entered into under that swap agreement. If a swap agreement is terminated for any of these reasons, the Issuer will be exposed to changes in currency exchange rates and/or interest rates. Unless a replacement swap is entered into, the Issuer may have insufficient funds to perform its obligations under the Covered Bonds.

In addition, under certain circumstances the Issuer may have difficulty finding a new or replacement swap provider, in particular a swap provider that will maintain the credit ratings of the Covered Bonds, which may affect the outstanding Covered Bonds negatively. See also "Risks-Relating to the Issuer - *Risks relating to the obligations of DNB Bank as Servicer, swap provider, liquidity provider and lender*". Further, if at some point in the future the Issuer introduces deferral of payment mechanics into the swaps and the substitute assets available to the Issuer on a payment date are insufficient to make the payment ordinarily required in full under one or more Covered Bond Swaps, the payment obligations of both the Issuer and the swap provider on that payment date may be reduced accordingly and will be deferred.

##### *Reliance on currency swaps*

The Issuer may rely on one or more swap providers under the currency swaps to provide the Issuer with amounts to be used for payment on Covered Bonds denominated in currencies other than NOK. As at the date of this Base Prospectus, DNB Bank is the Currency Swap Provider under all Currency Swaps. If the Issuer fails to make timely payments of amounts due or certain other events occur in relation to the Issuer under a Currency Swap and any applicable grace period expires, then the Issuer will default under that Currency Swap. If the Issuer defaults under a Currency Swap due to non-payment or otherwise, the relevant Currency Swap provider will not be obliged to make further payments under that Currency Swap (unless the Issuer has satisfied in full all its payment or delivery obligations under the relevant Currency Swap) and may terminate that Currency Swap. If a Currency Swap Provider is not obliged to make payments, if it exercises any right of termination it may have under the relevant Currency Swap or if it defaults in its obligations to make payments under a Currency Swap, the Issuer will be exposed to changes in currency exchange rates and in the associated interest rates on the currencies, if applicable.

### *Reliance on interest rate swaps*

In order to hedge the Issuer's interest rate risks in NOK and/or other currencies, to the extent that these have not already been hedged by a Currency Swap, the Issuer may enter into Interest Rate Swaps. If the Issuer fails to make timely payments of amounts due or certain other events occur in relation to the Issuer under an Interest Rate Swap and any applicable grace period has expired, then the Issuer will have defaulted under that Interest Rate Swap. If the Issuer defaults under an Interest Rate Swap due to non-payment or otherwise, the relevant Interest Rate Swap provider will not be obliged to make further payments under that Interest Rate Swap (unless the Issuer has satisfied in full all its payment or delivery obligations under the relevant Interest Rate Swap) and may terminate that Interest Rate Swap. If an Interest Rate Swap provider is not obliged to make payments, if it exercises any right of termination it may have under the relevant Interest Rate Swap Agreement, or if it defaults in its obligations to make payments under an Interest Rate Swap, the Issuer will be exposed to changes in interest rates.

### *Termination payments for swaps*

If any of the swap agreements are terminated as described above, the Issuer may, as a result, be obliged to make a termination payment to the relevant swap provider. The amount of the termination payment will be based on the cost of entering into replacement interest rate swaps and/or currency swaps, as the case may be. There can be no assurance that the Issuer will have sufficient funds available to make such termination payment. Any termination payment to be made by the Issuer to a swap provider will rank *pari passu* with payments due to the Covered Bondholders.

### *Potential amendments to the swap agreements, replacement of DNB Bank as swap provider and future swap agreements*

The Issuer and DNB Bank as the existing swap provider may agree to make certain amendments to the existing swap agreements. Furthermore, under certain circumstances, the Issuer may find a replacement for DNB Bank as swap provider. If and when, in the context of one or more particular issuances of Covered Bonds, the Issuer enters into any additional swap agreement with DNB Bank or any swap agreement with a counterparty other than DNB Bank, the terms of the swap agreement will be negotiated with the relevant swap provider at that time. As a result of such negotiations, the terms of a swap agreement may contain terms that adversely affect the Issuer's results of operations, financial condition and business prospects and its ability to perform its obligations under the Covered Bonds.

## **E. Risks relating to the structure of a particular issue of Covered Bonds**

### *Covered Bonds subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of Covered Bonds. During any period when the Issuer may elect to redeem Covered Bonds, the market value of such Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### *Covered Bonds issued with variable interest rates are likely to have more volatile market values than more standard securities*

Covered Bonds with variable interest rates can be volatile investments. If they are structured to include caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features. Such volatility could have a material adverse effect on the value of and return on any such Covered Bonds.

*Reform and regulation of "benchmarks" may adversely affect the value of Covered Bonds linked to or referencing such "benchmarks"*

Benchmarks such as the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**"), referenced swap rates and other types of rates and indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"), to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented.

International proposals for reform of Benchmarks include the Benchmarks Regulation, which was published in the Official Journal of the EU on 29 June 2016. In addition to the aforementioned regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks. In addition, in July 2017 the Chief Executive of the Financial Conduct Authority (the "**FCA**") in the United Kingdom questioned the sustainability of LIBOR in its current form and advocated a transition away from LIBOR to alternative reference rates. He noted that there is wide support among the LIBOR panel banks for voluntarily sustaining LIBOR until the end of 2021 in order to facilitate this transition. At the end of this period, the FCA considers that it will not be necessary to sustain LIBOR through its influence or legal powers by persuading or obliging banks to submit to LIBOR. On 12 July 2018, the FCA announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation. Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group on Sterling risk-free rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk-free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

At this time, it is not possible to predict the effect of any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market for LIBOR-linked securities. The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

Additionally, in March 2017, the European Money Markets Institute ("**EMMI**") published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. In May 2017, EMMI indicated that there had been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless

transition path". Accordingly, EMMI launched consultations on a hybrid methodology for calculating the EURIBOR benchmark and carried out in-depth testing of the proposed methodology. On 28 November 2019, EMMI announced that it had successfully completed the phase-in of all panel banks to the EURIBOR hybrid methodology.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer, have other consequences which may have a material adverse effect on the value of the amount payable under the Covered Bonds or have other consequences that cannot be predicted.

Based on the foregoing, prospective investors should in particular be aware that:

(a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including LIBOR and EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

(b) if LIBOR or EURIBOR is discontinued or is otherwise unavailable, then the rate of interest on the Covered Bonds will be determined for a period by the fallback provisions provided for under Condition 3 (*Interest*) of the Terms and Conditions of the Covered Bonds, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks in the London interbank market (in the case of LIBOR) or in the Euro-zone interbank market (in the case of EURIBOR), may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR or EURIBOR was available; and

(c) if LIBOR, EURIBOR or any other relevant interest rate benchmark is discontinued, there can be no assurance that the applicable fallback provisions under the Swap Agreements would operate to allow the transactions under the Swap Agreements to effectively mitigate interest rate risk in respect of the Covered Bonds.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Covered Bonds and/or the Swap Agreements due to applicable fallback provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Covered Bonds.

Moreover, any of the above matters or any other significant change to the setting or existence of LIBOR, EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Covered Bonds and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Covered Bonds. No assurance may be **provided that** relevant changes will not occur with respect to LIBOR, EURIBOR or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to Covered Bonds that have a floating rate of interest.

#### *Benchmark Discontinuation*

If "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) in the event that the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate. If any such Successor Rate or Alternative Rate is determined in such manner and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that amendments to the Terms and Conditions of the Covered Bonds and/or the Agency Agreement are necessary to ensure the proper

operation of such Successor Rate and/or Alternative Rate, then the Issuer shall, subject to giving notice thereof, without any requirement for the consent or approval of Covered Bondholders, vary the Terms and Conditions of the Covered Bonds and/or the Agency Agreement to give effect to such amendments with effect from the date specified in such notice.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Terms and Conditions of the Covered Bonds also provide that an Adjustment Spread may be determined by the Issuer to be applied to such Successor Rate or Alternative Rate, as the case may be. The aim of the Adjustment Spread is to reduce or eliminate, so far as is practicable, any economic prejudice or benefit (as the case may be) to Covered Bondholders as a result of the replacement of LIBOR or the relevant Original Reference Rate (as applicable) with the Successor Rate or the Alternative Rate. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to Covered Bondholders. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

If an Independent Adviser is not appointed or a Successor Rate, Alternative Rate or any Benchmark Amendment is not determined pursuant to the Terms and Conditions of the Covered Bonds, other fallback provisions under the Terms and Conditions of the Covered Bonds may be required to be used, which may in certain circumstances result in the Rate of Interest for an Interest Period continuing to apply at the Rate of Interest applicable to the immediately preceding Interest Period, resulting in the relevant Covered Bonds becoming, in effect, fixed rate securities. Even if a Successor Rate or Alternative Rate and associated Adjustment Spread and/or Benchmark Amendments (if any) are determined pursuant to the Terms and Conditions of the Covered Bonds the overall Rate of Interest payable on the relevant Covered Bonds may be less than it would have been had no Benchmark Event occurred, for example, if the Successor Rate or Alternative Rate is (unlike LIBOR) a "risk free" rate.

If "Benchmark Discontinuation - ARRC" is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) for a Floating Rate Covered Bond, if the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Covered Bonds in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of Covered Bondholders.

The selection of a Benchmark Replacement, and any decisions, determinations or elections made by the Issuer in connection with implementing a Benchmark Replacement with respect to the relevant Covered Bonds in accordance with the benchmark transition provisions, including with respect to Benchmark Replacement Conforming Changes, could adversely affect the rate of interest on such Covered Bonds, which could adversely affect the return on, value of and market for such Covered Bonds. Further, there is no assurance that the characteristics of any Benchmark Replacement will be similar to the Benchmark, or that any Benchmark Replacement will produce the economic equivalent of the Benchmark as a reference rate for interest on such Covered Bonds.

The Terms and Conditions of the Covered Bonds, as further described in Condition 3(d) (Benchmark Discontinuation - ARRC), provides for a "waterfall" of alternative rates to be used to determine the rate of interest on the relevant Covered Bonds if a Benchmark Transition Event and related Benchmark Replacement Date occur. The first alternative rate in the waterfall is Term SOFR, a forward-looking rate which will be based on the Secured Overnight Financing Rate ("SOFR"). However, Term SOFR does not exist as of the date of this Base Prospectus, and there is no guarantee that Term SOFR will exist prior to a Benchmark Transition Event and related Benchmark Replacement Date. Even if Term SOFR is developed, it is unclear whether it will be a suitable replacement or successor for U.S. dollar LIBOR. Assuming Term SOFR does not exist at the time of a

Benchmark Transition Event and related Benchmark Replacement Date, the second alternative rate in the waterfall is Compounded SOFR. Compounded SOFR is the compounded average of daily SOFR rates that is expected to be calculated in arrears, while U.S. dollar LIBOR is a forward-looking rate. However, there currently is no uniform market convention with respect to the calculation of Compounded SOFR. Uncertainty surrounding the establishment of market conventions related to the calculation of Term SOFR and Compounded SOFR and whether either alternative reference rate is a suitable replacement or successor for U.S. dollar LIBOR may adversely affect the value of and return on the relevant Covered Bonds.

The additional alternative rates referenced in the definition of "Benchmark Replacement" in Condition 3(d) (Benchmark Discontinuation - ARRC) also are uncertain. In particular, the ISDA Fallback Rate, which is the rate referenced in the ISDA Definitions at the time of a Benchmark Transition Event and related Benchmark Replacement Date, has not been established as of the date of this Base Prospectus. Even after the ISDA Fallback Rate is initially determined, ISDA Definitions and the ISDA Fallback Rate may change over time. If each alternative rate referenced in the definition of "Benchmark Replacement" is unavailable or indeterminable, the Issuer will determine the Benchmark Replacement that will apply to the relevant Covered Bonds. The substitution of a Benchmark Replacement for U.S. dollar LIBOR may adversely affect the value of and return on the relevant Covered Bonds.

Any determination, decision or election that may be made by the Issuer pursuant to Condition 3(c) (Benchmark Discontinuation - Independent Adviser) or Condition 3(d) (Benchmark Discontinuation - ARRC) will become effective without consent from the Covered Bondholders. In making these potentially subjective determinations, the Issuer may have economic interests that are adverse to the interests of the Covered Bondholders, and such determinations may adversely affect the value of and return on the relevant Covered Bonds.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, UK, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, liquidity of, value of and return on any such affected Covered Bonds.

*The market continues to develop in relation to SONIA and SOFR as a reference rates for Floating Rate Covered Bonds.*

Investors should be aware that the market continues to develop in relation to SONIA and SOFR as reference rates in the capital markets and their adoption as an alternative to Sterling or U.S. Dollar LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA and SOFR, including term SONIA and SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA and SOFR rate over a designated term). The nascent development of SONIA and SOFR rates as interest reference rates for the Eurobond markets, as well as continued development of SONIA and SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Covered Bonds.

The use of Compounded Daily SONIA and SOFR as a reference rate for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing Compounded Daily SONIA and SOFR. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked covered bonds issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Terms and Conditions of the Covered Bonds, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SONIA or SOFR that differs significantly from that set out in the Terms and Conditions as applicable to the Covered Bonds. Furthermore, the Issuer may in the future issue Covered Bonds referencing SONIA or SOFR that differ materially in terms of interest determination when compared with the Covered Bonds. In addition, the manner of adoption or application of SONIA or SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA or SOFR in other markets, such as the derivatives or SOFR and loan markets. Covered Bondholders should carefully



consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Covered Bonds referencing Compounded Daily SONIA or SOFR.

*SONIA and SOFR differ from LIBOR in a number of material respects and have a limited history.*

Compounded Daily SONIA and SOFR differ from LIBOR in a number of material respects, including that Compounded Daily SONIA and SOFR are backwards-looking, compounded, risk-free overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA or SOFR may behave materially differently as interest reference rates for the Covered Bonds. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR which is an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SONIA and SOFR began in April 2018 and they therefore have a limited history. The future performance of SONIA and SOFR may therefore be difficult to predict based on the limited historical performance. The level of SONIA and SOFR during the term of the Covered Bonds may bear little or no relation to the historical level of SONIA or SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA and SOFR such as correlations, may change in the future.

Furthermore, the Rate of Interest is only capable of being determined at the end of the relevant Reference Period or Interest Period (as applicable) and immediately prior to the relevant Interest Payment Date. It may be difficult for Covered Bondholders to estimate reliably the amount of interest which will be payable on the Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which factors could adversely impact the liquidity of the Covered Bonds and consequently the value of the Covered Bonds.

*The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR.*

The Bank of England or The New York Federal Reserve (or a successor), as administrators of SONIA or SOFR, respectively, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case a fallback method of determining the interest rate on the Covered Bonds will apply). The administrator has no obligation to consider the interests of Covered Bondholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR.

*If the Covered Bonds include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Covered Bonds concerned*

Fixed/Floating Rate Covered Bonds bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of this interest basis, may affect the secondary market in, and the market value of, such Covered Bonds as the change of interest basis may result in a lower interest return for Covered Bondholder. Where the Covered Bonds convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. Where the Covered Bonds convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on other fixed rate Covered Bonds of the Issuer at the time and could affect the market value of an investment in the relevant Covered Bonds.

*Covered Bonds issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates*

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of and return on any such Covered Bonds.

#### *Extendable obligations under the Covered Bonds*

The applicable Final Terms (or Pricing Supplement in the case of Exempt Covered Bonds) may also provide that an Extended Maturity Date (as defined below) shall apply to a Series of Covered Bonds.

If the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date (or within two Business Days thereafter) the maturity of the principal amount outstanding of the Covered Bonds not redeemed will automatically extend on a monthly basis up to but not later than 12 months from the Maturity Date, subject as otherwise provided for in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement (the “**Extended Maturity Date**”). In that event, the Issuer may redeem all or part of the principal amount outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date, up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement. In that event also, the Covered Bonds will bear interest on the principal amount outstanding of the Covered Bonds in accordance with the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, save in respect of Zero Coupon Covered Bonds.

The extension of the maturity of the principal amount outstanding of the Covered Bonds from the Maturity Date to the Extended Maturity Date will not result in any right of the Covered Bondholders to accelerate payments or take action against the Issuer, and no payment will be payable to the Covered Bondholders in that event other than as set out in the “*Terms and Conditions of the Covered Bonds*” as completed by the applicable Final Terms, or as the case may be, the applicable Pricing Supplement. As a result of any such extension of the maturity of the principal amount outstanding of the Covered Bonds from the Maturity Date to the Extended Maturity Date, the relevant investors may receive their principal back later than expected.

According to the EU Framework, extension of maturity of Covered Bonds is only permitted if clear and objective criteria according to national law are fulfilled. In the Consultation Paper, the NSFA has not proposed such objective criteria, but has suggested that such terms are included in a future regulation.

*The application of the net proceeds of Green Covered Bonds as described in “Use of Proceeds” may not meet investor expectations or be suitable for an investor’s investment criteria*

Prospective investors in the Green Covered Bonds should have regard to the information in “*Use of Proceeds*” regarding the use of the net proceeds of those Green Covered Bonds and must determine for themselves the relevance of such information for the purpose of any investment in such Green Covered Bonds together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds for “green” purpose (as described in “*Use of Proceeds*”) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply.

Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. Accordingly, no assurance is or can be given to investors that any projects or uses the

subject of, or related to, any Green Covered Bonds will meet any or all investor expectations regarding such “green” or other equivalently-labelled performance objectives.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Green Covered Bonds. Any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Green Covered Bonds. Any such report, assessment, opinion or certification is only current as of the date it was issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such Green Covered Bonds. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or regulatory or other regime.

In the event that any Green Covered Bonds are listed or admitted to trading on any dedicated “green” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another.

While it is the intention of the Issuer to apply the net proceeds of any Green Covered Bonds and obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in “*Use of Proceeds*”, there can be no assurance that the Issuer will be able to do this.

The withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such Green Covered Bonds no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such Green Covered Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

#### **F. Risks relating to the Legal and Regulatory Environments in which the Issuer operates**

*The Issuer is subject to extensive regulation that is subject to change*

The Issuer’s business operations are governed by law and regulations in Norway and are subject to supervision by the NFSA. Changes in law, regulation or the practices, policies and guidelines of the NFSA could materially affect the Issuer’s business or the value of its assets, which may have a particular strong effect due to the Issuer’s position in Norway as the largest provider of mortgage loans in the Norwegian retail market.

Further, rules implemented in the EU do not have direct effect in Norway. EU Directives and Regulations are implemented if within the scope of the EEA Agreement, and if the relevant rules are not subject to veto by the Norwegian government. The NFSA also takes a conservative approach when relevant EU rules are to be implemented in Norwegian law, opting for the strictest option if there is room for national discretion. This might lead to stricter future changes in Norway compared with countries within the EU. Such future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer. Any such changes to the current supervision, regulation or legislation (in particular, legislation relating to the issuance of covered bonds or the risk weight of residential mortgages under capital adequacy calculations) could adversely affect the Issuer’s business operations and its operating results and could impair the Issuer’s ability to perform its obligations under the Covered Bonds.

For a summary of the regulation of covered bond issuers in Norway, see “*Certain Norwegian Legislation Relating to Covered Bonds*”.

*The implementation of the Basel III risk-weighted asset framework and any related amendments may affect the capital requirements and/or liquidity associated with holding the Covered Bonds*

The Basel Committee on Banking Supervision (the “**Basel Committee**”) approved significant changes to the Basel II regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as “**Basel III**”). In particular Basel III provides for new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish minimum liquidity standards (referred to as the Liquidity Coverage Ratio (“**LCR**”) and the Net Stable Funding Ratio (“**NSFR**”). Basel Committee member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation from the start of 2015 with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of Basel III requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of covered bonds (e.g. as LCR eligible assets or not), may be subject to some level of national variation. Implementation of any of the changes put forward by the Basel Committee as described above and/or implementation of the Basel II framework (to the extent that it has not already been fully implemented in Basel Committee member countries) may have an impact on capital requirements in respect of the Covered Bonds and/or on incentives for investors to hold the Covered Bonds that are subject to requirements that follow the relevant framework and, as a result, they may affect the liquidity and/or value of the Covered Bonds.

The Ministry decided to introduce the LCR ahead of the schedule contemplated by the EU. Norwegian domestic systemically important banks, including DNB Bank and the DNB Group, were required to hold a liquidity buffer of no less than 100 per cent. of net liquidity outflows over a 30 calendar day stress period as of 31 December 2015 according to the Norwegian Regulation on capital requirements and adaption of CRR CRD IV (“**CRR CRD IV Regulation**”). The requirement became effective for the Issuer from 1 July 2016. The LCR requirement must be complied with for the aggregate of the various currencies.

On 26 June 2017, amendments in the CRR CRD IV Regulation was adopted by the Ministry. According to the amendments, institutions are subject to a minimum LCR requirement of 100 per cent. in each significant currency. For institutions that have USD and/or EUR as significant currencies, the minimum LCR requirement in NOK shall be 50 per cent. The amendments became effective on 30 September 2017.

Covered bonds of other issuers may constitute liquid assets provided that such covered bonds are secured by a cover pool which has a value exceeding the value of the covered bonds secured by the cover pool with 102 per cent. or more (i.e. over-collateralisation).

Norway has so far not implemented NSFR liquidity rules pending further developments on the EU regulations governing NSFR.

Currently, Norwegian covered bonds comply with the EU Capital Requirements set forth in CRR and CRD IV and qualify for a 10 per cent. risk weighting in eligible European jurisdictions. However, the Issuer cannot be certain as to how any of the regulatory developments described above will impact the treatment of the Covered Bonds. Prospective investors should therefore make themselves aware of the requirements of the Covered Bonds mentioned above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Covered Bonds. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

#### *EU Bank Recovery and Resolution Directive*

On 14 May 2014, Directive 2014/59/EU, providing for the establishment of an EU-wide (which, for these purposes, includes the UK) framework for the recovery and resolution of credit

institutions and investment firms (the “**Bank Recovery and Resolution Directive**” or “**BRRD**”), was adopted. 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 1 January 2015, except for the general bail-in tool which was required to be applied from 1 January 2016.

The BRRD was incorporated into the EEA Agreement on 9 February 2018 and, in March 2018, the Norwegian Parliament passed legislation implementing the BRRD in Norwegian law. The new legislation (which amends the existing legislation and the regulatory framework for solvency failure and public administration as set out in Chapter 21 of Financial Institutions Act), entered into force 1 January 2019. The legislation sets forth that any further possible supplements and regulation of the details for the implementation of the BRRD and related technical standards can be determined through regulations passed by the Ministry under the Financial Institutions Act.

The implementation of the BRRD in Norway entailed a number of changes, mainly with respect to the level of detail in the legislation and the expansion of some of the existing Norwegian legislation. The new legislation designates the NFSA as the resolution authority, although it leaves to the Ministry to decide whether an institution meets the conditions for resolution. 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 (i) write downs or conversions to equity in relation to both the institution’s relevant capital instruments in the form of approved tier 1 capital or approved tier 2 capital and (ii) claims against the institution that accrue to financial creditors. Norwegian authorities do to a certain extent already have the power to write down equity and subordinated loan capital under Chapter 21 of the Financial Institutions Act, but these powers will be expanded to cover other types of capital in order to comply with the BRRD.

#### *Harmonisation of the EU Covered Bond Framework*

In March 2018, the European Commission published legislative proposals for a more harmonised EU covered bond framework. The proposals are made up of (i) a draft directive (replacing current article 52(4) of Directive 2009/65/EC (the “**UCITS Directive**”)) intended to establish a revised base-line definition of covered bonds for EU regulatory purposes; and (ii) a draft regulation (amending article 129 of the CRR and certain related provisions) intended to strengthen the requirements for covered bonds to receive preferential capital treatment. Helpfully, the draft directive provides for permanent grandfathering with respect to certain requirements for article 52(4) UCITS Directive compliant covered bonds issued before the relevant application date, although a similar provision included in the draft amending regulation does not seem to provide for the full necessary adjustment.

As referred to above, on 13 January 2020, the NFSA released a consultation paper relating to the EU Framework. The Consultation Paper sets out proposals to amend the existing Norwegian covered bond legislation to comply with the EU Framework, which includes, *inter alia*, the following proposals:

- increased LTV requirements (from 75 per cent. to 80 per cent.);
- increased overcollateralisation requirement (from 102 to 105 per cent.);
- new liquidity buffer requirement (liquidity buffers shall cover maximum, cumulative net payments for 180 days);
- independent inspectors (independent inspector is required to be external state authorised public accountant (external auditor cannot fulfil the function));
- extension of maturity (according to the EU Framework, extension of maturity of Covered Bonds is only allowed if clear and objective criteria according to national law

are fulfilled - in the Consultation Paper, the NSFA has not proposed an objective criteria, but has suggested that such terms are included in a future regulation); and

- soft bullets (soft bullets will not be permitted to count when calculating the liquidity reserves, which, if implemented in Norwegian law, will have a negative effect on the Issuer's liquidity costs).

The Consultation Paper does not indicate a timeline for implementation into Norwegian law. Changes in the covered bond legislation could materially affect the Issuer's business and/or the value of its assets, and materially impair the Issuer's ability to perform its obligations under the Covered Bonds.

*The DNB Bank Group may be impacted by changes in accounting policies or accounting standards and the interpretation of such policies and standards*

From time to time, the International Accounting Standards Board (the "IASB") changes the financial accounting and reporting standards that govern the preparation of the Issuer's financial statements. Further, changes may take place in the interpretation of, or differences of opinion may arise between the Issuer and competent authorities with regard to the application of, such standards. These changes can be difficult to predict and can materially impact how the Issuer records and reports its financial condition and results of operations. In some cases, the Issuer may be required to apply a new or revised standard, or alter the application of an existing standard retroactively, rendering a restatement of prior period financial statements necessary. Any such change in the Issuer's accounting policies or applicable accounting standards could materially affect its reported financial condition and/or results of operations.

#### **G. Risks relating to the markets generally**

*An active secondary market in respect of the Covered Bonds may never be established or may be illiquid, which would adversely affect the value at which an investor could sell its Covered Bonds*

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop for the Covered Bonds, it may not be very liquid. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Any such illiquidity may have an adverse effect on the market value of Covered Bonds.

The Covered Bonds have not been, and will not be, registered under the Securities Act and they are subject to certain restrictions on the resale and other transfer thereof as set forth under "Subscription and Sale".

*Weak market conditions in the secondary market for instruments similar to the Covered Bonds may adversely affect the market value of the Covered Bonds*

Generally weak global credit market conditions could contribute to a lack of liquidity in the secondary market for instruments similar to the Covered Bonds. In addition, the current liquidity crisis has limited the primary market for a number of financial products, including instruments similar to the Covered Bonds. While some measures have been taken by governments, there can be no assurance that the market for securities similar to the Covered Bonds will recover at the same time or to the same degree as such other recovering global credit market sectors.

*An investor holding Covered Bonds which are not denominated in the investor's home currency will be exposed to movements in exchange rates that could adversely affect the value of its holding. In addition, the imposition of exchange controls in relation to any Covered Bonds could result in an investor not receiving payments on those Covered Bonds*

The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are

denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency-equivalent yield on the Covered Bonds, (ii) the Investor’s Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor’s Currency-equivalent market value of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*The value of Covered Bonds may be adversely affected by movements in market interest rates*

Interest rate risk occurs when the interest rate payable on assets and liabilities for a fixed period do not coincide. Investments in Covered Bonds with fixed interest involve a risk that subsequent changes in market interest rates may adversely affect the value of fixed interest Covered Bonds. Investments in Covered Bonds with floating interest involve a risk of adverse changes in the interest rate payable on the Covered Bonds.

A failure of the market for securities similar to Covered Bonds to recover could adversely affect the market value of the Covered Bonds.

*Credit ratings assigned to the Covered Bonds may not reflect all risks associated with an investment in those Covered Bonds*

Actual ratings at issue will be specified in the applicable Final Terms or Pricing Supplement, as the case may be, and expected ratings from Moody’s and S&P are included on the cover page of this Base Prospectus. There is no guarantee that such ratings will be assigned or maintained or that such credit ratings reflect the potential impact of all risks related to an investment in the Covered Bonds. Accordingly, a credit rating is not a recommendation to buy, sell or hold Covered Bonds and may be revised, suspended or withdrawn by the relevant rating agency at any time. Any such revision, suspension or withdrawal could adversely affect the market value of the Covered Bonds. The Issuer may, at any time, vary the rating agencies from whom credit ratings of the Covered Bonds are obtained or reduce the aggregate number of credit rating agencies from whom credit ratings of the Covered Bonds are obtained.

In general, European (including UK) regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the UK and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or UK-registered credit rating agency or the relevant non-EU rating and non-UK agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Covered Bonds changes, European (including UK) regulated investors may no longer be able to use the rating for regulatory purposes and the Covered Bonds may have a different regulatory treatment. This may result in European (including UK) regulated investors selling the Covered Bonds which may impact the value of the Covered Bonds and any secondary market. The list of registered and certified rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings referred to in this Base Prospectus and/or the Final Terms or the Pricing

Supplement, as the case may be, is set out in the first page of this Base Prospectus and will be disclosed in the Final Terms or the Pricing Supplement, as the case may be.

*Credit ratings may be subject to change*

The Issuer's credit ratings are important to its business. There can be no assurance that the rating agencies will not downgrade the ratings of the Issuer or the ratings of the Issuer's debt instruments (including Covered Bonds issued under the Programme) either as a result of the financial position of the Group (as defined under "*Description of the Issuer*") or changes to applicable rating methodologies used by S&P and Moody's and any other relevant rating agency (see "*The Issuer is exposed to changing methodology by rating agencies*"). A rating agency's evaluation of the Issuer may also be based on a number of factors not entirely within the control of the Issuer, such as conditions affecting the financial services industry generally. Any reduction in the Issuer's credit ratings or the ratings of its debt instruments could adversely affect its liquidity and competitive position, undermine confidence in the Group, increase its borrowing costs, limit its access to the capital markets, or limit the range of counterparties willing to enter into transactions with the Group. Such development could have a material adverse effect on the Group's business, financial situation, results of operations, liquidity and/or prospects.

## **H. Risks relating to Covered Bonds generally**

*Covered Bonds are obligations of the Issuer only*

The Covered Bonds will constitute obligations of the Issuer only and have the benefit of a statutory preference under the Norwegian Financial Institutions Act Chapter 11, sub-chapter II with appurtenant regulations. An investment in the Covered Bonds involves a reliance on the creditworthiness of the Issuer. The Covered Bonds are not guaranteed by DNB Bank or any member of the DNB Group or any other person.

In addition, an investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant Covered Bonds.

There can be no assurance that the Issuer Cover Pool will be sufficient to pay in full the amounts payable under the Covered Bonds.

*No events of default*

The Terms and Conditions of the Covered Bonds do not include any events of default relating to the Issuer, the occurrence of which would entitle Covered Bondholders to accelerate the Covered Bonds, and Covered Bondholders will only be paid the scheduled interest payments under the Covered Bonds as and when they fall due under the Terms and Conditions of the Covered Bonds.

*No gross-up*

Under the Terms and Conditions of the Covered Bonds, all payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed by the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law, in which case such deduction will be made by the Issuer.

In the event that any such withholding or deduction is required by law, the Terms and Conditions require the Issuer to pay additional amounts in respect of such withholding or deduction subject to customary exceptions (see Condition 6 (Taxation)). If the withholding or deduction arises as a result of one of the circumstances described in paragraphs (i) to (v) of Condition 6 (Taxation), the Issuer will not be required to pay such additional amounts and affected investors will receive interest payments net of such withholding. If however the Issuer is required to pay additional amounts, it will have the option under Condition 5(b) (Redemption for Tax Reasons) to redeem the relevant Covered Bonds early.



*The value of the Covered Bonds could be adversely affected by a change in English law, Norwegian law or administrative practice*

The Terms and Conditions of the Covered Bonds are governed by English law, other than Condition 2 (Status of the Covered Bonds) and Condition 11 (Issuer Covenants) which are governed by Norwegian law, in each case, in effect as at the date of issue of the relevant Covered Bonds. No assurance can be given as to the impact of any possible judicial decision or change in English law, Norwegian law or English or Norwegian administrative practice after the date of issue of the relevant Covered Bonds.

In particular, the Financial Institutions Act with appurtenant regulations are relatively new legislation in Norway and, for this reason, there is little available case law on it. It is uncertain how the Financial Institutions Act with appurtenant regulations will be interpreted or whether changes or amendments will be made to it which will affect Covered Bonds issued under the Programme.

#### *Meetings of Covered Bondholders*

The Terms and Conditions of the Covered Bonds contain provisions for calling meetings of Covered Bondholders to consider and vote upon matters affecting their interests generally, or to pass, resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Covered Bondholders, including Covered Bondholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Covered Bondholders who voted in a manner contrary to the majority. Certain significant modifications may be made following approval of a quorum of one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Covered Bonds for the time being outstanding, including modifying the date of maturity of the Covered Bonds or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Covered Bonds or altering the currency of payment of the Covered Bonds.

#### *Conflicting interests of other creditors*

Although the rights of the holders of Covered Bonds (along with the holders of covered bonds issued under the U.S. Programme and any other mortgage covered bonds issued by the Issuer) and the counterparties to derivatives agreements included in the Issuer Cover Pool have a preferential right with respect to such other creditors against the Issuer Cover Pool, they will rank junior to (i) costs incurred in connection with the operation, management, collection and realisation of the Issuer Cover Pool, which will be covered before the claims of the holders of Covered Bonds, and (ii) claims relating to the fees and expenses of a public administrator which, pursuant to the Norwegian Act on Liens of 8 February 1980 No 2 (the “**Liens Act**”), are secured by a first priority lien on each cover pool of the Issuer. Such liens will be limited to 700 times the standard Norwegian court fee (NOK 1,172 at the date of this Base Prospectus, leading to a total maximum liens of NOK 820,400 as of the date of this Base Prospectus) in respect of the Issuer Cover Pool.

To the extent that Covered Bondholders are not fully paid from the proceeds of the liquidation of the assets comprising the Issuer Cover Pool, they will be able to apply for the balance of their claims as unsecured creditors of the Issuer and will be entitled to receive payment from the proceeds of the liquidation of the other assets of the Issuer not comprising the Issuer Cover Pool. The Covered Bondholders would in such case rank *pari passu* with any other covered bondholders (including those under the U.S. Programme and with any other covered bonds which may be issued by the Issuer in accordance with the Financial Institutions Act), providers of covered bond swaps and the other unsecured, unsubordinated creditors of the Issuer and, as a result, may not receive all amounts owed by the Issuer to such Covered Bondholders.

*Investors who hold less than the minimum Specified Denomination may be unable to sell their of Covered Bonds and may be adversely affected if definitive Covered Bonds are subsequently to be issued*

In relation to any issue of Bearer Covered Bonds which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Covered Bonds may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Covered Bonds such that its holding amounts to (at least) a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive bearer Covered Bond in respect of such holding (should definitive bearer Covered Bonds be printed) and would need to purchase a principal amount of Covered Bonds such that its holding amounts to (at least) a Specified Denomination.

If definitive Covered Bonds are issued, holders should be aware that definitive Covered Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

## OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Covered Bonds, the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement).

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980.

Words and expressions defined in "Form of the Covered Bonds" and "Terms and Conditions of the Covered Bonds" shall have the same meanings in this Overview.

Issuer:	DNB Boligkreditt AS
Issuer Legal Entity Identifier (LEI):	5967007LIEEXZX659K67
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Covered Bonds issued under the Programme. These are set out under "Risk Factors" above and include macroeconomic conditions, business conditions in Norway, risks related to the Cover Pool, risks relating to the Issuer's Hedging Arrangements and legal and regulatory risks relating to Covered Bonds. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme. These are set out under "Risk Factors" and include certain risks relating to the structure of particular Series of Covered Bonds and certain market risks.
Description:	Covered Bond Programme
Arranger:	Barclays Bank PLC
Dealers:	Barclays Bank Ireland PLC Barclays Bank PLC BNP Paribas Citigroup Global Markets Europe AG Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Credit Suisse Securities (Europe) Limited Deutsche Bank Aktiengesellschaft DNB Bank ASA Goldman Sachs International HSBC France Landesbank Baden-Württemberg

Nomura International plc

Norddeutsche Landesbank – Girozentrale –

UBS Europe SE

UniCredit Bank AG

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions:

Each issue of Covered Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale").

Fiscal Agent and Transfer Agent

Citibank, N.A.

Registrar:

Citigroup Global Markets Europe AG

VPS Account Manager:

DNB Bank ASA, Verdipapirservice

VP Systems Account Manager:

DNB Bank ASA, Verdipapirservice in its capacity as the VPS Account Manager and/or any other agent appointed by the Issuer from time to time in relation to the VP Systems Covered Bonds.

Programme Size:

Up to EUR 60,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution:

Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:

Covered Bonds may be denominated in euro, Sterling, U.S. dollars, Swiss Francs, Yen, Norwegian Kroner, Danish Kroner, Swedish Kronor and, subject to any applicable legal or regulatory restrictions and any applicable reporting requirements, any other currency agreed between the Issuer and the relevant Dealer.

Maturities:

The Covered Bonds will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price:

Covered Bonds may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Covered Bonds:

The Covered Bonds will be issued in bearer form, registered form or, in the case of VP Systems Covered Bonds, uncertificated and dematerialised book entry form, as

described in "Form of the Covered Bonds". VP Systems Covered Bonds will not be evidenced by any physical covered bond or document of title. Entitlements to VP Systems Covered Bonds will be evidenced by the crediting of VP Systems Covered Bonds to accounts with the relevant VPS, VP or VPC (as the case may be).

Each Tranche of Bearer Covered Bonds (other than Swiss Domestic Covered Bonds) will be initially represented by a Temporary Bearer Global Covered Bond which will (i) if the global Covered Bonds are intended to be issued in NGCB form, as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Covered Bonds), be delivered on or prior to the Issue Date to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and (ii) if the global Covered Bonds are not intended to be issued in NGCB form, be delivered on or prior to the Issue Date to a Common Depositary for Euroclear and Clearstream, Luxembourg. The Temporary Bearer Global Covered Bond will be exchangeable, as specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, for either a Permanent Bearer Global Covered Bond or Bearer Covered Bonds in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. In respect of each Tranche of Swiss Domestic Covered Bonds, unless otherwise specified in the applicable Final Terms, the Issuer will deliver a permanent global Covered Bond which will be deposited on or prior to the original issue date of the Tranche with the Intermediary.

Bearer Covered Bonds will not be exchangeable for Registered Covered Bonds and *vice versa*.

Clearing Systems:

Euroclear, Clearstream, Luxembourg, VP, VPS, VPC and/or SIX SIS AG and/or, in relation to any Tranche of Covered Bonds, any other clearing system as may be specified in the relevant Final Terms or, as the case may be, the applicable Pricing Supplement.

Status of the Covered Bonds:

The Covered Bonds are unsubordinated obligations issued in accordance with the Financial Institutions Act and rank *pari passu* among themselves and with all other obligations of the Issuer that have been provided the same priority as debt instruments issued pursuant to the Financial Institutions Act. To the extent that claims in relation to the Covered Bonds and related derivative agreements are not met out of the assets of the Issuer that are covered in accordance with the Financial Institutions Act, the residual claims will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer. In the event of a public administration of the Issuer, the costs of such administration will rank ahead of a claim for payment of the Covered Bonds. See also "Description of Certain Norwegian Legislation relating to Covered Bonds".

Fixed Rate Covered Bonds: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Covered Bonds: Floating Rate Covered Bonds will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series); or
- (b) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Covered Bonds.

Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Benchmark Discontinuation: If "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) in the event that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments as described in Condition 3(c) (Benchmark Discontinuation - Independent Adviser).

If "Benchmark Discontinuation – ARRC" is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement), and the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Issuer will

determine a Benchmark Replacement in accordance with the benchmark transition provisions as described in Condition 3(d) (Benchmark Discontinuation – ARRC).

Zero Coupon Covered Bonds:

Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.

Exempt Covered Bonds

The Issuer may agree with any Dealer that Exempt Covered Bonds may be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

The applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) will indicate either that the relevant Covered Bonds cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Covered Bonds will be redeemable at the option of the Issuer and/or the Covered Bondholders upon giving notice to the Covered Bondholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices as may be agreed between the Issuer and the relevant Dealer.

Extended Maturity Date:

The applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) might provide that an Extended Maturity Date applies to a Series of Covered Bonds.

As regards redemption of Covered Bonds to which an Extended Maturity Date so applies, if the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date (or within two Business Days thereafter), the maturity of the principal amount outstanding of the Covered Bonds not redeemed will automatically extend on a monthly basis up to but, not later than, the Extended Maturity Date, subject as otherwise provided for in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement. In that event the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

As regards interest on Covered Bonds to which an Extended Maturity Date so applies, if the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date (or within two Business Days thereafter), the Covered Bonds will bear interest on the principal amount outstanding of the Covered Bonds from (and including) the Maturity Date to (but excluding) the earlier of the Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed in full or the Extended Maturity Date and will be payable in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date in arrear or as otherwise

provided for in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, on each Interest Payment Date after the Maturity Date at the rate provided for in the applicable Final Terms or applicable Pricing Supplement.

In the case of a Series of Covered Bonds to which an Extended Maturity Date so applies, those Covered Bonds may for the purposes of the Programme be:

- (a) Fixed Interest Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds, in respect of the period from the Issue Date to (and including) the Maturity Date; and
- (b) Fixed Interest Covered Bonds or Floating Rate Covered Bonds in respect of the period from (but excluding) the Maturity Date to (and including) the Extended Maturity Date,

as set out in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date and for which an Extended Maturity Date applies, the initial outstanding principal amount on the Maturity Date for the above purposes will be the total amount otherwise payable by the Issuer but unpaid on the relevant Covered Bonds on the Maturity Date.

**Denomination of Covered Bonds:**

The Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Covered Bond will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Covered Bond (other than Exempt Covered Bonds) will be at least €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency).

**Taxation:**

All payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 6. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 6, be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:**

The terms of the Covered Bonds will not contain a negative pledge provision.

**Cross Default:**

The terms of the Covered Bonds will not contain a cross default provision.

**Issuer Covenants:**

Pursuant to the Conditions, the Issuer covenants in favour of the Covered Bondholders in connection with the value and



maintenance of the Issuer Cover Pool and its compliance with certain other key obligations imposed on it under the Financing Legislation (as defined below) (see Condition 11 (Issuer Covenants)).

Covered Bondholders do not have any rights of acceleration under the Conditions of the Covered Bonds in the event that the Issuer breaches any of the covenants given under them (see “Cross Default and other Events” above). In those circumstances, Covered Bondholders will be entitled to bring a claim against the Issuer directly in respect of such breach.

*Assets included in the Issuer Cover Pool may not, according to the Financing Legislation, be pledged or be subject to execution, attachment or other enforcement proceedings in favour of particular creditors of the Issuer, and nor may a right of set-off, right of retention or the like be declared an asset included in the Issuer Cover Pool, unless otherwise permitted under the Financing Legislation.*

Rating:

Series of Covered Bonds issued under the Programme may be rated or unrated. Where a Series of Covered Bonds is rated, such rating will be disclosed in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Covered Bonds) and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing and admission to trading:

Application has been made to the Central Bank of Ireland to approve this document as a base prospectus. Application has been made to Euronext Dublin for Covered Bonds issued under the Programme (other than the Exempt Covered Bonds, the Swiss Domestic Covered Bonds and the VP Systems Covered Bonds which are not cleared through VPS, VP or VPC) within 12 months of this Base Prospectus to be admitted to the Official List (the “**Official List**”) and trading on its regulated market (the “**Regulated Market of Euronext Dublin**”).

Such approval relates only to the Covered Bonds issued under the Programme (other than the Exempt Covered Bonds, the Swiss Domestic Covered Bonds and the VP Systems Covered Bonds which are not cleared through VPS, VP or VPC) which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any Member State of the EEA.

Applications may be made to list VP Systems Covered Bonds on the Oslo Stock Exchange. Any such applications will be in accordance with applicable laws and regulations governing the listing of VP Systems Covered Bonds on the Oslo Stock Exchange, from time to time.

In addition, application has been made to register the Programme on the SIX Swiss Exchange. Upon specific

request, Covered Bonds issued under the Programme may then be listed on the SIX Swiss Exchange.

Covered Bonds may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Covered Bonds which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms (or Pricing Supplement, in the case of Exempt Covered Bonds) will state whether or not the relevant Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

The Covered Bonds and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law except that the provisions of the Covered Bonds under Condition 2 and Condition 11 will be governed by, and construed in accordance with, Norwegian law.

VP Systems Covered Bonds must comply with the relevant regulations and legislation (as amended from time to time) of VPS, VP or VPC (as the case may be) and the holders of VP Systems Covered Bonds will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Danish, Norwegian or Swedish regulations and legislation.

Selling Restrictions:

There are selling restrictions on the offer, sale and transfer of the Covered Bonds in the United States, the EEA (including, for these purposes, the UK), the UK, Norway, Denmark, Sweden, The Netherlands and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered Bonds. See “Subscription and Sale” below.

United States Selling Restrictions:

For United States securities law only, the Issuer is a Category 2 issuer under Regulation S. Bearer Covered Bonds will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**D Rules**”) or 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**C Rules**”), unless the Bearer Covered Bonds are issued in circumstances in which the Bearer Covered Bonds will not constitute “registration required obligations” for U.S. federal income tax purposes, which circumstances will be referred to in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement as a transaction to which

TEFRA is not applicable.

Issuer's other programmes:

In addition to the Programme, the Issuer has a U.S. \$12,000,000,000 covered bond programme (the "**U.S. Programme**") pursuant to which it has issued, and may further issue, covered bonds denominated in any currency. Under the terms of the U.S. Programme, the Issuer will issue Covered Bonds to the Covered Bondholders on each Issue Date. The Covered Bonds will be unsubordinated obligations of the Issuer and rank *pari passu* among themselves and with all other obligations of the Issuer that have been provided the same priority as debt instruments issued pursuant to Chapter 11, sub-chapter II of the Financial Institutions Act. It is the Issuer's intention to use the U.S. Programme as a funding platform to issue Covered Bonds pursuant to and in reliance on Rule 144A of the Securities Act.

All covered bonds issued by the Issuer will share the benefit of a shared Issuer Cover Pool.

All Covered Bonds issued by the Issuer under the Programme, covered bonds issued under the U.S. Programme and any other mortgage covered bonds issued by the Issuer have, and will have, the benefit of a statutory preference under the Financial Institutions Act and the Financial Institutions Regulation on the Cover Pool maintained by the Issuer. The Issuer maintains only one Cover Pool in respect of the covered bonds issued under the U.S. Programme, the Euro Programme and any other mortgage covered bonds that it may issue from time to time. The Covered Bondholders will share the benefit of the Issuer Cover Pool with all other covered bondholders.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published, shall be incorporated in, and form part of, this Base Prospectus:

- (a) the audited annual financial statements of the Issuer for each of the financial years ended 31 December 2018 (which can be viewed online at [https://www.ir.dnb.no/sites/default/files/dnb\\_boligkreditt\\_2018.pdf](https://www.ir.dnb.no/sites/default/files/dnb_boligkreditt_2018.pdf)) and 31 December 2019 (which can be viewed online at <https://www.ir.dnb.no/sites/default/files/Annual%20Report%20DNB%20Boligkreditt%202019.pdf>), including the information set out at the following pages of the Issuer's 'Annual Report 2018' and 'Annual Report 2019'. The audited annual financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"):

	2018	2019
Income statement/Comprehensive income	page 6	page 6
Balance sheets	page 7	page 7
Statement of changes in equity	page 8	page 8
Cash flow statements	page 9	page 9
Accounting principles and explanatory notes	pages 10–41	pages 10-40
Auditors' report	pages 43-46	pages 41-44

- (b) the unaudited interim financial statements of the Issuer as at, and for the period ended, 31 March 2020 (which can be viewed online at [https://www.ir.dnb.no/sites/default/files/dnb\\_boligkreditt\\_1Q20.pdf](https://www.ir.dnb.no/sites/default/files/dnb_boligkreditt_1Q20.pdf)), including the information set out at the following pages of the Issuer's 'Quarterly Report - First Quarter 2019':

Comprehensive income	page 7
Balance sheet	page 8
Statement of changes in equity	page 9
Cash flow statement	page 10
Notes	pages 11-15

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

- (c) The section "Terms and Conditions of the Covered Bonds" from the following prospectuses relating to the Programme (i) Base Prospectus dated 25 June 2007 (pages 41-70 inclusive) (which can be viewed online at <https://www.bourse.lu/programme-documents/Programme-DNBBoligkreditt/13421>); (ii) Base Prospectus dated 20 June 2008 (pages 42-72 inclusive) (which can be viewed online at <https://www.bourse.lu/programme-documents/Programme-DNBBoligkreditt/13421>); (iii) Base Prospectus dated 19 June 2009 (pages 46-76 inclusive) (which can be viewed online at <https://www.bourse.lu/programme-documents/Programme-DNBBoligkreditt/13421>); (iv) Base Prospectus dated 17 June 2010 (pages 49-79 inclusive) (which can be viewed online at <https://www.bourse.lu/programme-documents/Programme-DNBBoligkreditt/13421>); (v) Base Prospectus dated 17 June 2011 (pages 57-89 inclusive) (which can be viewed online at <https://www.bourse.lu/programme-documents/Programme-DNBBoligkreditt/13421>); (vi) Base Prospectus dated 8 June 2012 (pages 60-92 inclusive) (which can be viewed online at <https://www.bourse.lu/programme-documents/Programme-DNBBoligkreditt/13421>); (vii) Base Prospectus dated 1 July 2013 (pages 64-96 inclusive) (which can be viewed online at <https://www.bourse.lu/programme-documents/Programme-DNBBoligkreditt/13421>); (viii) Base Prospectus dated 27 June 2014 (pages 82-114 inclusive) (which can be viewed online at <https://www.bourse.lu/programme-documents/Programme-DNBBoligkreditt/13421>);

viewed online at [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_183d8f56-5a1f-4192-8c96-3f6f966efeb9.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_183d8f56-5a1f-4192-8c96-3f6f966efeb9.PDF)); (ix) Base Prospectus dated 1 July 2015 (pages 85-115 inclusive) (which can be viewed online at [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_5fdd3974-98d4-4fe6-b24c-a6bbf831b709.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_5fdd3974-98d4-4fe6-b24c-a6bbf831b709.PDF)); (x) Base Prospectus dated 29 June 2016 (pages 86-116 inclusive) (which can be viewed online at [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_32777e7e-efaa-4396-955d-a44482b7f3a3.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_32777e7e-efaa-4396-955d-a44482b7f3a3.PDF)); (xi) Base Prospectus dated 22 June 2017 (pages 88-118 inclusive) (which can be viewed online at [http://www.ise.ie/debt\\_documents/Final%20Base%20Prospectus%2022.06.17\\_d11121be-9bb7-435c-a264-a6c27a94f6f4.PDF](http://www.ise.ie/debt_documents/Final%20Base%20Prospectus%2022.06.17_d11121be-9bb7-435c-a264-a6c27a94f6f4.PDF)); (xii) Base Prospectus dated 22 June 2018 (pages 94-127 inclusive) (which can be viewed online at [https://www.ise.ie/debt\\_documents/Base%20Prospectus\\_591482b9-ac44-4837-977b-64e46f2d83e9.PDF](https://www.ise.ie/debt_documents/Base%20Prospectus_591482b9-ac44-4837-977b-64e46f2d83e9.PDF)); and (xiii) Base Prospectus dated 21 June 2019 (pages 88-118 inclusive) (which can be viewed online at [https://www.ise.ie/debt\\_documents/Base%20Prospectus\\_cbe9de5a-4e7f-4e0d-b04e-060ae137e288.PDF](https://www.ise.ie/debt_documents/Base%20Prospectus_cbe9de5a-4e7f-4e0d-b04e-060ae137e288.PDF)).

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Delegated Regulation.

Following the publication of this Base Prospectus a supplement to the Base Prospectus may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

In the event of any significant new factor arising or any material mistake or material inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds or any change in the condition of the Issuer which is material in the context of the Programme or the issue of any Covered Bonds, the Issuer will prepare and publish a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Covered Bonds. Furthermore, the Issuer has undertaken to the Dealers in the Programme Agreement (as defined in “*Subscription and Sale*”) that it will, in connection with the listing of the Covered Bonds on the Official List, so long as any Covered Bond remains outstanding and listed on such exchange, in the event of any material adverse change in the financial condition of the Issuer which is not reflected in this Base Prospectus, prepare and publish a further supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of the Covered Bonds to be listed on the Official List.

## FORM OF THE COVERED BONDS

The Covered Bonds of each Series will be in bearer form, registered form or, in the case of VP Systems Covered Bonds, uncertificated and dematerialised book entry form.

Each Tranche of Bearer Covered Bonds (other than Swiss Domestic Covered Bonds) will initially be represented by a Temporary Bearer Global Covered Bond without Coupons or Talons (each as defined in “Terms and Conditions of the Covered Bonds”) which will (i) if the global Covered Bonds are intended to be issued in NGCB form, as specified in the applicable Final Terms (or in the case of Exempt Covered Bonds, the applicable Pricing Supplement), be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and (ii) if the global Covered Bonds are not intended to be issued in NGCB Form, be delivered on or prior to the original issue date of the Tranche to a Common Depositary for, Euroclear and Clearstream, Luxembourg. Interests in the Temporary Bearer Global Covered Bond will be exchanged either for interests in a Permanent Bearer Global Covered Bond or, where specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement (subject to such notice period as is specified in the Final Terms or, as the case may be, the applicable Pricing Supplement), for definitive Bearer Covered Bonds on or after the date (the “**Exchange Date**”) which is the later of (i) 40 days after the Temporary Bearer Global Covered Bond is issued and (ii) 40 days after completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue). Such exchange will be made only upon delivery of written certification to Euroclear and/or Clearstream, Luxembourg, as the case may be, to the effect that the beneficial owner of such Covered Bonds is not a U.S. person or other person who has purchased such Covered Bonds for resale to, or on behalf of, U.S. persons and Euroclear and/or Clearstream, Luxembourg, as the case may be, has given a like certification (based on the certification it has received) to the Fiscal Agent. In respect of each Tranche of Swiss Domestic Covered Bonds, unless otherwise specified in the applicable Final Terms, the Issuer will deliver a permanent global Covered Bond (the “**Swiss Global Covered Bond**”) which will be deposited on or prior to the original issue date of the Tranche with the Intermediary.

If an interest or principal payment date for any Covered Bonds (which are not Swiss Domestic Covered Bonds) occurs whilst such Covered Bonds are represented by a Temporary Bearer Global Covered Bond, the related interest or principal payment will be made only to the extent that certification of non-U.S. beneficial ownership has been received as described in the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Bearer Global Covered Bond (which is not a Swiss Domestic Covered Bond) will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Covered Bond is improperly withheld or refused. Payments of principal or interest (if any) on a Permanent Bearer Global Covered Bond (which is not a Swiss Domestic Covered Bond) will be made through Euroclear or Clearstream, Luxembourg (against presentation or surrender, as the case may be, of the Permanent Bearer Global Covered Bond if the Permanent Bearer Global Covered Bond is not intended to be issued in NGCB form) without any further requirement for certification. Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Covered Bonds” below) the Fiscal Agent shall arrange that, where a further Tranche of Covered Bonds is issued, the Covered Bonds of such Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Covered Bonds of any other Tranche of the same Series until at least expiry of the Distribution Compliance Period applicable to the Covered Bonds of such Tranche.

The applicable Final Terms or, as the case may be, the applicable Pricing Supplement will specify that either (i) a Permanent Bearer Global Covered Bond (other than Swiss Domestic Covered Bonds) will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Covered Bonds with, where applicable, Coupons and Talons attached upon not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Covered Bond) to the Fiscal Agent as described therein or (ii) a Permanent Bearer Global Covered Bond will be exchangeable (free of charge), in whole but not in part,

for definitive Bearer Covered Bonds with, where applicable, Coupons and Talons attached only upon the occurrence of an Exchange Event as described therein.

The applicable Final Terms will not specify that Temporary or Permanent Global Covered Bonds are exchangeable upon notice for definitive Covered Bonds where such Covered Bonds are issued having denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of a smaller amount.

**“Exchange Event”** means (i) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Issuer, the Fiscal Agent, the other Paying Agents and the Covered Bondholders is available or, unless otherwise specified in the applicable Final Terms or as the case may be, the applicable Pricing Supplement (ii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 6 (*Taxation*) which would not be required were the Covered Bonds represented by the Permanent Bearer Global Covered Bond in definitive bearer form and a certificate to such effect signed by two Directors of the Issuer has been given to the Fiscal Agent. The Issuer will promptly give notice to Covered Bondholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Covered Bond) or the Covered Bondholders may give notice to the Fiscal Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Fiscal Agent and the Covered Bondholders requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Fiscal Agent.

Bearer Covered Bonds which are denominated in Swiss Francs (**“Swiss Domestic Covered Bonds”**), unless otherwise specified in the applicable Final Terms, will be represented upon issue by a Swiss Global Covered Bond which will be deposited with SIX SIS AG, the Swiss Securities Services Corporation located in Olten, Switzerland (**“SIX SIS AG”**) or, as the case may be, with any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange AG (SIX SIS AG or any such other intermediary, the **“Intermediary”**), until final redemption or the printing of definitive Covered Bonds. Payments of principal, interest (if any) or any other amounts on a Swiss Global Covered Bond will be made through the Intermediary without any requirement for certification.

Once the Swiss Global Covered Bond is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Domestic Covered Bonds will constitute intermediated securities (*Bucheffekten*) (**“Intermediated Securities”**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each holder (as such term shall be construed in accordance with the following paragraph) of Swiss Domestic Covered Bonds shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Swiss Global Covered Bond to the extent of his claim against the Issuer, provided that for so long as the Swiss Global Covered Bond remains deposited with the Intermediary the co-ownership interest shall be suspended and the Swiss Domestic Covered Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e., by the entry of the transferred Swiss Domestic Covered Bonds in a securities account of the transferee.

The records of the Intermediary will determine the number of Swiss Domestic Covered Bonds held through each participant in that Intermediary. In respect of the Swiss Domestic Covered Bonds held in the form of Intermediated Securities, the holders of the Swiss Domestic Covered Bonds will be the persons holding the Swiss Domestic Covered Bonds in a securities account. The term **“holders”** as used herein shall, in relation to any such Swiss Domestic Covered Bonds held in the form of Intermediated Securities, be construed accordingly.

Holders of Swiss Domestic Covered Bonds do not have the right to request the printing and delivery of definitive Covered Bonds. Interests in the Swiss Global Covered Bonds will be

exchangeable, in whole but not in part, for definitive Covered Bonds if the Principal Swiss Paying Agent (i) determines that the presentation of definitive Covered Bonds is required by Swiss or other applicable laws and regulations in connection with the enforcement of rights or (ii) deems the printing and delivery of definitive Covered Bonds to be useful or desirable for any other reason. Should the Principal Swiss Paying Agent so determine, it shall provide for the printing of definitive Covered Bonds without cost to the holders. Upon delivery of the definitive Covered Bonds, the Swiss Global Covered Bond will be cancelled and the definitive Covered Bonds shall be delivered to the holders against cancellation of the Swiss Domestic Covered Bonds in the holders' securities accounts.

The following legend will appear on all Bearer Covered Bonds (other than Temporary Bearer Covered Bonds), Coupons and Talons relating to such Covered Bonds where TEFRA D is specified in the applicable Final Terms or Pricing Supplement, as the case may be:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on bearer Covered Bonds or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of bearer Covered Bonds or coupons.

Unless otherwise provided with respect to a particular Series of Registered Covered Bonds, Registered Covered Bonds will initially be represented by a Registered Global Covered Bond which will be deposited with a custodian for, and registered in the name of a common depositary or a common safekeeper as the case may be for the accounts of Euroclear and Clearstream, Luxembourg. Prior to expiry of the Distribution Compliance Period applicable to each Tranche of Covered Bonds, beneficial interests in a Registered Global Covered Bond may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 9 (Transfer and Exchange of Registered Covered Bonds) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Covered Bond will bear a legend regarding such restrictions on transfer.

Persons holding beneficial interests in Registered Global Covered Bonds will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Covered Bonds in fully registered form.

Payments of principal on the Registered Covered Bonds will be made on the relevant payment date to the persons shown on the Register at the close of business on the business day (being for this purpose a day on which banks are open for business in Brussels) immediately prior to the relevant payment date. Payments of interest on the Registered Covered Bonds will be made on the relevant payment date to the person in whose name such Covered Bonds are registered on the Record Date (as defined in Condition 4(c) (Presentation of Covered Bonds and Coupons)) immediately preceding such payment date.

Payments of the principal of, and interest (if any) on, the Registered Global Covered Bonds deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg, will be made to such common depositary or common safekeeper. None of the Issuer, any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

For so long as any of the Covered Bonds are represented by a Bearer Global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg and/or SIX SIS AG or so long as any of the Covered Bonds is represented by a registered global Covered Bond deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg or so long as the Covered Bond is a VP Systems Covered Bond, each person who is for the time being shown in the



records of Euroclear and/or Clearstream, Luxembourg, SIX SIS AG, VPS, VP or VPC, as the case may be, as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, SIX SIS AG, VPS, VP or VPC as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such nominal amount of such Covered Bonds for all purposes other than (in the case only of Covered Bonds not being VP Systems Covered Bonds) with respect to the payment of principal or interest on the Covered Bonds, for which purpose, (i) in the case of Covered Bonds represented by a Bearer Global Covered Bond, the bearer of the relevant Global Bearer Covered Bond or, (ii) in the case of Covered Bonds represented by a registered global Covered Bond, deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg, such common depositary or common safekeeper shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such Covered Bonds in accordance with and subject to the terms of the relevant global Covered Bond (and the expressions “**Covered Bondholder**” and “**holder of Covered Bonds**” and related expressions shall be construed accordingly).

Covered Bonds which are represented by a Bearer Global Covered Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or SIX SIS AG.

No beneficial owner of an interest in a Registered Global Covered Bond will be able to exchange or transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

Each Tranche of VP Systems Covered Bonds will be issued in uncertificated and dematerialised book entry form. Legal title to the VP Systems Covered Bonds will be evidenced by book entries in the records of VPS, VP or VPC (as the case may be). VP Systems Covered Bonds will be issued with the benefit of the Agency Agreement. On the issue of such VP Systems Covered Bonds, the Issuer will send a letter to the Fiscal Agent, with copies sent to the other Paying Agents and the VP Systems Account Manager (the “**VP Systems Letter**”), which letter will set out the terms of the relevant issue of VP Systems Covered Bonds in the form of Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) attached thereto. On delivery of a copy of such VP Systems Letter by the VP Systems Account Manager including the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) to VPS, VP or VPC (as the case may be) and notification to VPS, VP or VPC (as the case may be) of the subscribers and their VPS, VP or VPC (as the case may be) account details by the relevant Dealer, the account operator acting on behalf of the Issuer will credit each subscribing account holder with VPS, VP or VPC (as the case may be) with a nominal amount of VP Systems Covered Bonds equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VP Systems Covered Bonds in VPS, VP or VPC (as the case may be) will take place in accordance with market practice at the time of the relevant transaction. Transfers of interests in the relevant VP Systems Covered Bonds will take place in accordance with the rules and procedures for the time being of VPS, VP or VPC (as the case may be).

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or SIX SIS AG and/or VPS, VP or VPC (as the case may be) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent, the other Paying Agents and the Covered Bondholders.

## APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds, other than the Swiss Domestic Covered Bonds and Exempt Covered Bonds, issued under the Programme.

<sup>1</sup>**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (“**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the “**PRiIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRiIPs Regulation.]

<sup>2</sup>**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended) (“**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Covered Bonds (a “**distributor**”) should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.]

[Date]

**DNB Boligkreditt AS**

**Legal entity identifier (LEI): 5967007LIEEXZX659K67**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds] under the  
€60,000,000,000 Covered Bond Programme**

### **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 17 June 2020 [and the supplements to the Base Prospectus to the Base Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Base Prospectus**”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. These Final Terms [./and] the Base Prospectus [and the supplement[s]] [has]/[have] been published on the website of Euronext Dublin at [www.ise.ie](http://www.ise.ie).]

*[The following alternative language applies if the first Tranche of a Series which is being increased was issued under a Base Prospectus with an earlier date.]*

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<sup>1</sup> Legend to be included on front of the Final Terms if the Covered Bonds potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

<sup>2</sup> Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [25 June 2007 / 20 June 2008 / 19 June 2009 / 17 June 2010 / 17 June 2011 / 8 June 2012 / 1 July 2013 / 27 June 2014 / 1 July 2015 / 29 June 2016 / 22 June 2017 / 22 June 2018 / 21 June 2019] and the supplement to it dated [date]] which are incorporated by reference in the Base Prospectus dated 17 June 2020. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 17 June 2020 [and the supplement[s] to the Base Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Base Prospectus**”), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. These Final Terms[,/and] the Base Prospectus [and the supplement[s]] [has]/[have] been published on the website of Euronext Dublin at [www.ise.ie](http://www.ise.ie).]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

- |   |                                                                                      |                                                                                                                                                                                                                                                                                                                                   |
|---|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Issuer:                                                                              | DNB Boligkreditt AS                                                                                                                                                                                                                                                                                                               |
| 2 | (i) Series Number:                                                                   | [ ]                                                                                                                                                                                                                                                                                                                               |
|   | (ii) Tranche Number:                                                                 | [ ]                                                                                                                                                                                                                                                                                                                               |
|   | (iii) Date on which the Covered Bonds will be consolidated and form a single Series: | The Covered Bonds will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date/exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph 20 below, which is expected to occur on or about [date]/[Not Applicable] |
| 3 | Specified Currency or Currencies:                                                    | [ ]                                                                                                                                                                                                                                                                                                                               |
| 4 | Aggregate Nominal Amount:                                                            |                                                                                                                                                                                                                                                                                                                                   |
|   | Series:                                                                              | [ ]                                                                                                                                                                                                                                                                                                                               |
|   | Tranche:                                                                             | [ ]                                                                                                                                                                                                                                                                                                                               |
| 5 | Issue Price:                                                                         | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]                                                                                                                                                                                                                   |
| 6 | (i) Specified Denominations:                                                         | [ ]                                                                                                                                                                                                                                                                                                                               |
- (N.B. Covered Bonds must have a minimum denomination of EUR 100,000 (or equivalent))*
- (Note – where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*
- “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a*

*denomination above [€199,000].")*

*(In the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made)*

- (ii) Calculation Amount: [ ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- 7 (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for Zero Coupon Covered Bonds.)*
- (a) Period to Maturity Date: [specify/Issue Date/Not Applicable]
- (b) Period from Maturity Date up to Extended Maturity Date: [specify/Maturity Date/Not Applicable]
- 8 (i) Maturity Date: *[Fixed rate – specify date/Floating Rate – Interest Payment Date falling in or nearest to [specify month and year]]*
- (ii) Extended Maturity Date: [Applicable/Not Applicable]
- [insert date]
- [The Extended Maturity Date is [ ]].
- [In accordance with the Conditions and these Final Terms, if the Issuer fails to redeem the Covered Bonds in full on the Maturity Date or within two Business Days thereafter, the maturity of the principal amount outstanding of the Covered Bonds will automatically be extended up to one year to the Extended Maturity Date without constituting an event of default or giving holders of the Covered Bonds any right to accelerate payments on the Covered Bonds. In that event, the interest rate payable on, and the interest periods and Interest Payment Dates, in respect of the Covered Bonds, will change from those that applied up to the Maturity Date and the Issuer may redeem all or part of the principal amount outstanding of those Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date, all in accordance with the Conditions and these Final Terms. See

Conditions 3(f) and 5(i).]

- 9 Interest Basis:
- (i) Period to (and including) Maturity Date: [[ ] per cent. Fixed Rate]  
[[[ ] month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified in paragraph [13/14/15] below)
- (ii) Period from (but excluding) Maturity Date up to (and including) Extended Maturity Date: [Not Applicable]  
[[ ] per cent. Fixed Rate]  
[[[ ] month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR] +/- [ ] per cent. Floating Rate]  
(further particulars specified in paragraph [13/14/15] below)
- 10 Redemption Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
- 11 Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there.]/[Not Applicable]*
- 12 Put/Call Options: [Not Applicable]  
[Investor Put]  
[Issuer Call]  
[(further particulars specified in paragraph [16/17] below)]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13 Fixed Rate Covered Bond Provisions
- (I) To Maturity Date: [Applicable/Not Applicable]
- (II) From Maturity Date up to Extended Maturity Date: [Applicable/Not Applicable]  
*(If (I) and (II) above are not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest:
- (a) To Maturity Date: [[ ] per cent. per annum payable in arrear on each Interest Payment Date]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/  
[[ ] per cent. per annum payable in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s):
- (a) To Maturity Date: [[ ] in each year up to and including the Maturity Date]/[specify other periodicity]/[Not Applicable]  
*(N.B. This will need to be amended in the case of long or short coupons)*

- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ] in each month up to and including the Extended Maturity Date]/[specify other periodicity]
- (N.B. This will need to be amended in the case of coupons which are not on a monthly basis)*
- (iii) Fixed Coupon Amount(s):
- (a) To Maturity Date: [ ] per Calculation Amount]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ] per Calculation Amount
- (iv) Broken Amount(s):
- (a) To Maturity Date: [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
- (v) Day Count Fraction:
- (a) To Maturity Date: [Actual/Actual (ICMA)]/[30/360]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[Actual/Actual (ICMA)]/[30/360]/[Not Applicable]
- (vi) Determination Date(s):
- (a) To Maturity Date: [ ] in each year]/[Not Applicable]
- [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*
- N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*
- N.B. Only relevant where Day Count Fraction is Actual/Actual]*
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]
- [ ] in each year]
- [Insert regular interest payment dates, ignoring maturity date or extended maturity date in the case of a long or short first or last coupon]*
- N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*
- N.B. Only relevant where Day Count*

*Fraction is Actual/Actual]*

14 Floating Rate Covered Bond Provisions

- (I) To Maturity Date: [Applicable/Not Applicable]
- (II) From Maturity Date up to Extended Maturity Date: [Applicable/Not Applicable]  
*(If (I) and (II) above are not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)*
  - (i) Specified Period(s)/Specified Interest Payment Dates:
    - (a) To Maturity Date: [ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/ not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]/[Not Applicable]
    - (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/ not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
  - (ii) Business Day Convention:
    - (a) To Maturity Date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
    - (b) From Maturity Date up to Extended Maturity Date: [Not Applicable] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
  - (iii) Additional Business Centre(s):
    - (a) To Maturity Date: [ ]/[Not Applicable]
    - (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ]
  - (iv) Manner in which the Rate of Interest and Interest Amount is to be determined:
    - (a) To Maturity Date: [Screen Rate Determination]/[ISDA Determination]/[Not Applicable]
    - (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[Screen Rate Determination]/[ISDA Determination]
  - (v) Party responsible for

calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):

- (a) To Maturity Date: [Not Applicable]/[ ]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ]
- (vi) Screen Rate Determination:
  - (a) To Maturity Date:
    - Reference Rate: [[month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR]]/[Not Applicable]
    - Interest Determination Date(s): [ ]/[Not Applicable]
      - (In the case of LIBOR (other than Sterling or EuroLIBOR)):* [Second London business day prior to the start of each Interest Period]
      - (In the case of Sterling LIBOR):* [First day of each Interest Period]
      - (In the case of Euro LIBOR or EURIBOR):* [Second day on which the TARGET2 System is open prior to the start of each Interest Period]
      - (In the case of SONIA):* [Condition 3(b)(ii)(C) applies]
      - (In the case of SOFR):* [Condition 3(b)(ii)(D) applies]
      - (In the case of STIBOR):* [Second Stockholm business day prior to the start of each Interest Period]
      - (In the case of NIBOR):* [Second Oslo business day prior to the start of each Interest Period]
      - (In the case of CIBOR):* [First day of each Interest Period]
    - Relevant Screen Page: [ ]/[Not Applicable]
      - (In the case of EURIBOR, if not Reuters Screen EURIBOR 01 (or any successor page) ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
    - Specified Time: [ ]
    - "p": [[ ] [London Banking Days/U.S. Government Securities Business Days]/Not



- Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]
- Reference Rate: [[[ ] month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR]/[Not Applicable]
- Interest Determination Date(s): [ ]/[Not Applicable]
- (In the case of LIBOR (other than Sterling or EuroLIBOR)):* [Second London business day prior to the start of each Interest Period]
- (In the case of Sterling LIBOR):* [First day of each Interest Period]
- (In the case of Euro LIBOR or EURIBOR):* [Second day on which the TARGET2 System is open prior to the start of each Interest Period]
- (In the case of SONIA):* [Condition 3(b)(ii)(C) applies]
- (In the case of SOFR):* [Condition 3(b)(ii)(D) applies]
- (In the case of STIBOR):* [Second Stockholm business day prior to the start of each Interest Period]
- (In the case of NIBOR):* [Second Oslo business day prior to the start of each Interest Period]
- (In the case of CIBOR):* [First day of each Interest Period]
- Relevant Screen Page: [ ]/[Not Applicable]
- (In the case of EURIBOR, if not Reuters Screen EURIBOR 01 (or any successor page) ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- Specified Time: [ ]
- "p": [[ ] [London Banking Days/U.S. Government Securities Business Days]/Not Applicable]
- (vii) ISDA Determination
- (a) To Maturity Date:
- Floating Rate [ ]/[Not Applicable]

- Option:
- Designated Maturity: [ ]/[Not Applicable]
  - Reset Date: [ ]/[Not Applicable]
- (In the case of LIBOR or EURIBOR based option, the first day of the Interest Period)*
- (N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]
- Floating Rate Option: [ ]/[Not Applicable]
  - Designated Maturity: [ ]/[Not Applicable]
  - Reset Date: [ ]/[Not Applicable]
- (In the case of LIBOR or EURIBOR based option, the first day of the Interest Period)*
- (viii) Linear Interpolation:
- (a) To Maturity Date: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (ix) Margin(s):
- (a) To Maturity Date: [[+/-][ ] per cent. per annum]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[[+/-][ ] per cent. per annum]
- (x) Minimum Rate of Interest:
- (a) To Maturity Date: [0 per cent.]/[[ ] per cent. per annum]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[[ ] per cent. per annum]

	Date:	
(xi)	Maximum Rate of Interest:	
	(a) To Maturity Date:	[Not Applicable]/[ ] per cent. per annum
	(b) From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[ ] per cent. per annum
(xii)	Day Count Fraction:	
	(a) To Maturity Date:	[Not Applicable]/[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis]
	(b) From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis]
(xiii)	Benchmark Discontinuation – Independent Adviser:	[Applicable/Not Applicable]
(xiv)	Benchmark Discontinuation – ARRC:	[Applicable/Not Applicable] <i>(If the Reference Rate for the Floating Rate Notes is (a) "SOFR" or (b) LIBOR (and, in the case of LIBOR, the Specified Currency is U.S. dollars), "Benchmark Discontinuation – ARRC" should be specified as applicable)</i>
15	Zero Coupon Covered Bond Provisions	[Applicable/Not Applicable] <i>(If 15 is not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)</i>
	(i) Accrual Yield:	[[ ] per cent. per annum]/[Not Applicable]
	(ii) Reference Price:	[ ]/[Not Applicable]
	(iii) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30/360] [Actual/360] [Actual/365] [Not Applicable]
<b>PROVISIONS RELATING TO REDEMPTION</b>		
16	Issuer Call	[Applicable/Not Applicable] <i>(If 16 is not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[ ]/[Not Applicable]
	(ii) Optional Redemption Amount(s):	[[ ] per Calculation Amount]/[Not

		Applicable]
	(iii) If redeemable in part:	
	Minimum Redemption Amount:	[[ ] per Calculation Amount]/[Not Applicable]
	Higher Redemption Amount:	[[ ] per Calculation Amount]/[Not Applicable]
	(iv) Notice period (if other than as set out in the Conditions):	[Minimum period:[ ] days Maximum period: [ ] days] [Not Applicable]
		<i>(N.B. when setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent or the Covered Bondholders)</i>
17	Investor Put	[Applicable/Not Applicable]  <i>(If 17 is not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[ ]/[Not Applicable]
	(ii) Optional Redemption Amount(s):	[[ ] per Calculation Amount]/[Not Applicable]  <i>(NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Covered Bonds will need to be Exempt Covered Bonds)</i>
	(iii) Notice period (if other than as set out in the Conditions):	[ ]/[Not Applicable]  <i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent or the Covered Bondholders)</i>
18	Final Redemption Amount of each Covered Bond:	[ ] per Calculation Amount
19	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation	[ ] per Calculation Amount

reasons or on event of default:

## GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 20 Form of Covered Bonds:
- (i) Form: [Bearer Covered Bonds:
- Temporary Bearer Global Covered Bond exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Definitive Bearer Covered Bonds [on not less than 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Bearer Global Covered Bond exchangeable for Definitive Covered Bonds on and after the Exchange Date on [ ] days' notice given at any time]
- [Registered Covered Bonds:
- Registered Global Covered Bond [ ] nominal amount registered in the name of [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] / Definitive Registered Covered Bonds (*specify nominal amounts*)]
- [VP Systems Covered Bonds issued in uncertificated and dematerialised book entry form]
- (ii) New Global Covered Bond: [Yes] [No]
- 21 Additional Financial Centre(s): [Not Applicable/*indicate the Additional Financial Centres*]
- (*Note that this paragraph relates to the date of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which item 14(iii) relates*)
- 22 Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes, as the Covered Bonds have more than 27 coupon payments, Talons may be required if, on exchange into definitive form more than 27 coupon payments are still to be made/No.]

## **RESPONSIBILITY**

[[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: *[Insert name of stock exchange on which listing has been, or will be, obtained, for example "The Official List of Euronext Dublin" or "The Oslo Stock Exchange"]*
- [Application has been made for the Covered Bonds to be admitted to trading on the regulated market of [Euronext Dublin]/[the Oslo Stock Exchange] and listed on the official list of [Euronext Dublin/Oslo Stock Exchange] with effect from [ ].]*
- (Where documenting a fungible issue use:)*
- [The original Covered Bonds were admitted to trading on the regulated market of [Euronext Dublin]/[the Oslo Stock Exchange] and admitted to the official list of [Euronext Dublin] [the Oslo Stock Exchange] on [ ].]*
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2 RATINGS:

The Covered Bonds to be issued *[[have been]/[are expected to be ]]* rated *[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies)]*.

*[[Insert the legal name of the relevant CRA entity]* is established in the European Union/UK and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”) and is on the list of registered credit rating agencies published on ESMA website: <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

*[Save for the fees [of [insert relevant fee disclosure]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business.] [Amend as appropriate if there are other interests]*

### 4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS:

- (i) Reasons for the offer: [ ]
- (ii) Estimated net proceeds: [ ]

### 5 YIELD: (Fixed Rate Covered Bonds only) [ ]/[Not Applicable]

Indication of yield:

**OPERATIONAL INFORMATION:**

- (i) ISIN: [     ]
- (ii) Common Code: [     ]
- (iii) CFI: [[See/[[*include code*] , as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[[*include code*] , as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear, Clearstream, Luxembourg (together with the address of each such clearing system) and the relevant identification number(s): [Not Applicable/(*give name(s) and number(s)*)/*Verdipapirsentralen, Norway*. VPS identification number: [     ]./*Vaerdipapircentralen, Denmark*. VP identification number: [     ]./VPC, Sweden, VPC identification number: [     ].] The Issuer shall be entitled to obtain certain information from the register maintained by VPS, VP or VPC (as the case may be) for the purposes of performing its obligations under the issue of VPS, VP or VPC (as the case may be) Covered Bonds]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [     ]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper.] (include this text for registered Covered Bonds)] and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/  
[No. Whilst the designation is specified as “no” at the date of the Final Terms, should the Eurosystem eligibility criteria be



amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] (include this text for registered Covered Bonds)]. Note that this does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7 DISTRIBUTION

- |       |                                                      |                                                                                                                                                                                                                                                  |
|-------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)   | Method of distribution:                              | [Syndicated]/[Non-syndicated]                                                                                                                                                                                                                    |
| (ii)  | If syndicated, names of Managers:                    | [Not Applicable/give names]                                                                                                                                                                                                                      |
| (iii) | If non-syndicated, name of relevant Dealer:          | [Not Applicable/give name]                                                                                                                                                                                                                       |
| (iv)  | U.S. Selling restrictions:                           | [TEFRA D/TEFRA C/TEFRA not applicable]                                                                                                                                                                                                           |
| (v)   | Prohibition of Sales to EEA and UK Retail Investors: | [Applicable/Not Applicable]<br><br><i>(If the Covered Bonds clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Covered Bonds may constitute “packaged” products, “Applicable” should be specified.)</i> |
| (vi)  | [Prohibition of Sales to Belgium Consumers:          | [Applicable/Not Applicable]<br><br><i>(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]</i>                                                                                                        |

Set out below is the form of Final Terms which will be completed for each Tranche of Swiss Domestic Covered Bonds, issued under the Programme.

<sup>3</sup>**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Swiss Domestic Covered Bonds are not intended to be offered, sold or otherwise made available to and[, with effect from such date,] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (“**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the “**PRIPs Regulation**”) for offering or selling the Swiss Domestic Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Swiss Domestic Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIPs Regulation.]

**[MiFID II product governance / target market** – *[appropriate target market legend to be included]*]

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”) FOR THE ISSUE OF COVERED BONDS DESCRIBED BELOW. FINAL TERMS COMPLETED FOR ANY TRANCHE OF SWISS DOMESTIC COVERED BONDS ISSUED UNDER THE PROGRAMME DO NOT CONSTITUTE FINAL TERMS FOR THE PURPOSES OF THE PROSPECTUS REGULATION.**

[Date]

**DNB Boligkreditt AS**

**Legal entity identifier (LEI): 5967007LIEEXZX659K67**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds] under the  
€60,000,000,000 Covered Bond Programme**

## **PART A – CONTRACTUAL TERMS**

This document constitutes the Final Terms of the Covered Bonds described herein and must be read in conjunction with the Base Prospectus dated 17 June 2020 [and the supplement[s] to it dated [date]] (the “**Base Prospectus**”). Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus may be obtained from [address].

*[The following language applies if the first Tranche of a Series which is being increased was issued under a Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] which are incorporated by reference in the Base Prospectus.

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

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<sup>3</sup> Legend to be included on front of the Final Terms if the Covered Bonds potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

1	Issuer:	DNB Boligkreditt AS
2	(i) Series Number:	[ ]
	(ii) Tranche Number:	[ ]
	(iii) Date on which the Covered Bonds will be consolidated and form a single Series:	The Covered Bonds will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date]/[Not Applicable]
3	Specified Currency or Currencies:	Swiss Francs ( <b>CHF</b> )
4	Aggregate Nominal Amount:	
	Series:	[ ]
	Tranche:	[ ]
5	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]
6	(i) Specified Denominations:	CHF [ ]
	(ii) Calculation Amount:	CHF [ ]
		<i>(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i>
7	(i) Issue Date:	[ ]
	(ii) Interest Commencement Date:	[specify/Issue Date/Not Applicable]
		<i>(N.B. An Interest Commencement Date will not be relevant for Zero Coupon Covered Bonds.)</i>
	(a) Period to Maturity Date:	[specify/Issue Date/Not Applicable]
	(b) Period from Maturity Date up to Extended Maturity Date:	[specify/Maturity Date/Not Applicable]
8	(i) Maturity Date:	<i>[Fixed rate – specify date/Floating Rate – Interest Payment Date falling in or nearest to [specify month and year]]</i>
	(ii) Extended Maturity Date:	[Applicable/Not Applicable]
		[insert date]
		[The Extended Maturity Date is [ ].
		[In accordance with the Conditions and these Final Terms, if the Issuer fails to redeem the Covered Bonds in full on the Maturity Date or within two Business Days thereafter, the maturity of the principal amount outstanding of the Covered Bonds will automatically be extended up to one

year to the Extended Maturity Date without constituting an event of default or giving holders of the Covered Bonds any right to accelerate payments on the Covered Bonds. In that event, the interest rate payable on, and the interest periods and Interest Payment Dates, in respect of the Covered Bonds, will change from those that applied up to the Maturity Date and the Issuer may redeem all or part of the principal amount outstanding of those Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date, all in accordance with the Conditions and these Final Terms. See Conditions 3(f) and 5(i).]

- 9 Interest Basis:
- (i) Period to (and including) Maturity Date: [[ ] per cent. Fixed Rate]  
[[[ ] month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified in paragraph [13/14/15] below)
- (ii) Period from (but excluding) Maturity Date up to (and including) Extended Maturity Date: [Not Applicable]  
[[ ] per cent. Fixed Rate]  
[[[ ] month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR] +/- [ ] per cent. Floating Rate]  
(further particulars specified in paragraph [13/14/15] below)
- 10 Redemption Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
- 11 Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there.]/[Not Applicable]*
- 12 Put/Call Options: [Not Applicable]  
[Investor Put]  
[Issuer Call]  
[(further particulars specified in paragraph [16/17] below)]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13 Fixed Rate Covered Bond Provisions
- (I) To Maturity Date: [Applicable/Not Applicable]
- (II) From Maturity Date up to Extended Maturity Date: [Applicable/Not Applicable]  
*(If (I) and (II) above are not applicable, select Not Applicable in the remaining sub-*

*paragraphs of this paragraph)*

- (i) Rate(s) of Interest:
- (a) To Maturity Date: [[ ] per cent. per annum payable in arrear on each Interest Payment Date]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[[ ] per cent. per annum payable in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s):
- (a) To Maturity Date: [[ ] in each year up to and including the Maturity Date]/[specify other periodicity]/[Not Applicable]
- (N.B. This will need to be amended in the case of long or short coupons)*
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[[ ] in each month up to and including the Extended Maturity Date]/[specify other periodicity]
- (N.B. This will need to be amended in the case of coupons which are not on a monthly basis)*
- (iii) Fixed Coupon Amount(s):
- (a) To Maturity Date: [[ ] per Calculation Amount]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ] per Calculation Amount
- (iv) Broken Amount(s):
- (a) To Maturity Date: [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
- (v) Day Count Fraction:
- (a) To Maturity Date: [Actual/Actual (ICMA)]/[30/360]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[Actual/Actual (ICMA)]/[30/360]/[Not Applicable]
- (vi) Determination Date(s):
- (a) To Maturity Date: [[ ] in each year]/[Not Applicable]
- [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*

*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*

*N.B. Only relevant where Day Count Fraction is Actual/Actual]*

- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]  
[ ] in each year  
*[Insert regular interest payment dates, ignoring maturity date or extended maturity date in the case of a long or short first or last coupon]*

*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*

*N.B. Only relevant where Day Count Fraction is Actual/Actual]*

#### 14 Floating Rate Covered Bond Provisions

- (I) To Maturity Date: [Applicable/Not Applicable]
- (II) From Maturity Date up to Extended Maturity Date: [Applicable/Not Applicable]  
*(If (I) and (II) above are not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates:
- (a) To Maturity Date: [ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/ not subject to any adjustment as the Business Convention in (ii) below is specified to be Not Applicable]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below / not subject to any adjustment as the Business Convention in (ii) below is specified to be Not Applicable]
- (ii) Business Day Convention:
- (a) To Maturity Date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]/[Not Applicable]

- (iii) Additional Business Centre(s):
- (a) To Maturity Date: [ ]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined:
- (a) To Maturity Date: [Screen Rate Determination]/[ISDA Determination]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[Screen Rate Determination]/[ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):
- (a) To Maturity Date: [Not Applicable]/[ ]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ]
- (vi) Screen Rate Determination:
- (a) To Maturity Date:
- Reference Rate: [[[ ] month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR]]/[Not Applicable]
- Interest Determination Date(s): [ ]/[Not Applicable]
- (In the case of LIBOR (other than Sterling or EuroLIBOR)): [Second London business day prior to the start of each Interest Period]*
- (In the case of Sterling LIBOR): [First day of each Interest Period]*
- (In the case of Euro LIBOR or EURIBOR): [Second day on which the TARGET2 System is open prior to the start of each Interest Period]*
- (In the case of SONIA): [Condition 3(b)(ii)(C) applies]*
- (In the case of SOFR): [Condition 3(b)(ii)(D) applies]*
- (In the case of STIBOR): [Second Stockholm business day prior to the start of each Interest Period]*
- (In the case of NIBOR): [Second Oslo*

- business day prior to the start of each Interest Period]
- (*In the case of CIBOR*): [First day of each Interest Period]
- Relevant Screen Page: [    ]/[Not Applicable]  
(*In the case of EURIBOR, if not Reuters Screen EURIBOR 01 (or any successor page) ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
  - Specified Time: [    ]
  - "p": [[    ] [London Banking Days/U.S. Government Securities Business Days]/Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]
- Reference Rate: [[[    ] month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR]/[Not Applicable]  
(*Either LIBOR, EURIBOR, STIBOR, NIBOR, CIBOR or other, although additional information is required if other – including the fallback provisions in the Agency Agreement*)
  - Interest Determination Date(s): [    ]/[Not Applicable]  
(*In the case of LIBOR (other than Sterling or EuroLIBOR)*): [Second London business day prior to the start of each Interest Period]  
  
(*In the case of Sterling LIBOR*): [First day of each Interest Period]  
  
(*In the case of Euro LIBOR or EURIBOR*): [Second day on which the TARGET2 System is open prior to the start of each Interest Period]  
  
(*In the case of SONIA*): [Condition 3(b)(ii)(C) applies]  
  
(*In the case of SOFR*): [Condition 3(b)(ii)(D) applies]  
  
(*In the case of STIBOR*): [Second Stockholm business day prior to the start of each Interest Period]  
  
(*In the case of NIBOR*): [Second Oslo business day prior to the start of each Interest Period]  
  
(*In the case of CIBOR*): [First day of each



- Interest Period]
- Relevant Screen Page: ☐/[Not Applicable]  
*(In the case of EURIBOR, if not Reuters Screen EURIBOR 01 (or any successor page) ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  - Specified Time: ☐
  - "p": ☐ [London Banking Days/U.S. Government Securities Business Days]/Not Applicable]
- (vii) ISDA Determination
- (a) To Maturity Date:
- Floating Rate Option: ☐/[Not Applicable]
  - Designated Maturity: ☐/[Not Applicable]
  - Reset Date: ☐/[Not Applicable]  
*(In the case of LIBOR or EURIBOR based option, the first day of the Interest Period)*  
*(N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (b) From Maturity Date up to Extended Maturity Date:
- Floating Rate Option: ☐/[Not Applicable]
  - Designated Maturity: ☐/[Not Applicable]
  - Reset Date: ☐/[Not Applicable]  
*(In the case of LIBOR or EURIBOR based option, the first day of the Interest Period)*
- (viii) Linear Interpolation:
- (a) To Maturity Date: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (b) From Maturity Date up [Not Applicable/Applicable - the Rate of

	to Extended Maturity Date:	Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(ix)	Margin(s):	
	(a) To Maturity Date:	[[+/-][ ] per cent. per annum]/[Not Applicable]
	(b) From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[[+/-][ ] per cent. per annum]
(x)	Minimum Rate of Interest:	
	(a) To Maturity Date:	[0 per cent.]/[ ] per cent. per annum]/[Not Applicable]
	(b) From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[ ] per cent. per annum]
(xi)	Maximum Rate of Interest:	
	(a) To Maturity Date:	[Not Applicable]/[ ] per cent. per annum
	(b) From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[ ] per cent. per annum
(xii)	Day Count Fraction:	
	(a) To Maturity Date:	[Not Applicable]/[Actual/365] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis]
	(b) From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[Actual/365] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis]
(xiii)	Benchmark Discontinuation – Independent Adviser:	[Applicable/Not Applicable]
(xiv)	Benchmark Discontinuation – ARRC	[Applicable/Not Applicable]  <i>(If the Reference Rate for the Floating Rate Notes is (a) "SOFR" or (b) LIBOR (and, in the case of LIBOR, the Specified Currency is U.S. dollars), "Benchmark Discontinuation – ARRC" should be specified as applicable)</i>
15	Zero Coupon Covered Bond Provisions	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>

- |       |                                                                              |                                          |
|-------|------------------------------------------------------------------------------|------------------------------------------|
| (i)   | Accrual Yield:                                                               | [    ] per cent. per annum               |
| (ii)  | Reference Price:                                                             | [    ]                                   |
| (iii) | Day Count Fraction in relation to Early Redemption Amounts and late payment: | [30/360]<br>[Actual/360]<br>[Actual/365] |

## PROVISIONS RELATING TO REDEMPTION

- |       |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16    | Issuer Call                                                                                              | [Applicable/Not Applicable]<br><br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                                                                                                                                                                                                                               |
| (i)   | Optional Redemption Date(s):                                                                             | [    ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (ii)  | Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):                      | [    ] per Calculation Amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (iii) | If redeemable in part:                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|       | Minimum Redemption Amount:                                                                               | [    ] per Calculation Amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|       | Higher Redemption Amount:                                                                                | [    ] per Calculation Amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (iv)  | Notice period (if other than as set out in the Conditions):                                              | Minimum period:[    ] days<br>Maximum period: [    ] days<br><br><i>(N.B. when setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent or the Covered Bondholders)</i> |
| 17    | Investor Put                                                                                             | [Applicable/Not Applicable]<br><br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                                                                                                                                                                                                                               |
| (i)   | Optional Redemption Date(s):                                                                             | [    ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (ii)  | Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s): | [    ] per Calculation Amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (iii) | Notice period (if other than as set out in the Conditions):                                              | [    ]<br><br><i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any</i>                                                                                                                                                                                   |

*other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent or the Covered Bondholders)*

- 18 Final Redemption Amount of each Covered Bond: [ ] per Calculation Amount
- 19 Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default: [ ] per Calculation Amount
- (N.B if the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption amount should be.)*

#### **GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

- 20 Form of Covered Bonds: Swiss Global Covered Bond
- 21 Additional Financial Centre(s): [Not Applicable/indicate the Additional Financial Centres]  
*(Note that this paragraph relates to the date of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which items 14(iii))*
- 22 Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No. If yes, give details]

#### **RESPONSIBILITY**

[[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING:

- (i) Listing and admission to trading: Application has been made for the Covered Bonds to be admitted to trading pursuant to the standard for bonds of the SIX Swiss Exchange with effect from [ ]. The last trading day is expected to be [ ].

Application for definitive listing pursuant to the standard for bonds of the SIX Swiss Exchange will be made as soon as practicable and, if granted, will only be granted after the Issue Date.

#### *Representation*

In accordance with Article 58a of the Listing Rules of the SIX Swiss Exchange, [ ] has been appointed by the Issuer as representative to lodge the listing application with the Regulatory Board of the SIX Swiss Exchange.

#### *Documents Available*

Copies of these Final Terms and the Base Prospectus are available at [ ].]

- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2 RATINGS:

The Covered Bonds to be issued [[have been]/[are expected to be ]] rated *[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies)]*.]

*[[Insert the legal name of the relevant CRA entity]* is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the CRA Regulation) and is on the list of registered credit rating agencies published on ESMA website:

<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

[Save for the fees [of *[insert relevant fee disclosure]*] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business.] *[Amend as appropriate if there are other interests]*

### 4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:

- [(i) Reasons for the offer: [ ]

- [(ii)] Estimated net proceeds: [ ]
- 5 **YIELD:** (Fixed Rate Covered Bonds only) [ ]/[Not Applicable]  
Indication of yield:
- 6 **HISTORIC INTEREST RATES:** (*Floating Rate Covered Bonds only*)  
[Details of historical [*LIBOR/ EURIBOR/STIBOR/NIBOR/CIBOR*] rates can be obtained from  
[Reuters (*or any successor page*)].]/[Not Applicable]
- 7 **OPERATIONAL INFORMATION:**
- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) Swiss Security Number: [ ]
- (iv) Any clearing system(s) other than SIX SIS AG (together with the address of each such clearing system) and the relevant identification number(s): [Not Applicable/(*give name(s) and number(s)*)/*Verdipapirsentralen, Norway*. VPS identification number: [ ]./ *Vaerdipapircentralen, Denmark*. VP identification number: [ ]./VPC, Sweden, VPC identification number: [ ].] The Issuer shall be entitled to obtain certain information from the register maintained by VPS, VP or VPC (as the case may be) for the purposes of performing its obligations under the issue of VPS, VP or VPC (as the case may be) Covered Bonds]\*\*\*
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (including, in the case of Swiss Domestic Covered Bonds, the Principal Swiss Paying Agent and any other Swiss Paying Agents) (if any): [ ]
- 8 **DISTRIBUTION**
- (i) Method of distribution: [Syndicated]/[Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Date of Subscription Agreement: [ ]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (v) U.S. Selling restrictions: [TEFRA D/TEFRA D (Swiss Exception)/TEFRA C/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA and UK Retail Investors [Applicable/Not Applicable]  
(*If the Swiss Domestic Covered Bonds clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Swiss Domestic Covered Bonds may constitute “packaged” products, “Applicable” should be specified.*)
- (vii) [Prohibition of Sales to Belgium [Applicable/Not Applicable]

Consumers:

*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]*

## **9 ADDITIONAL INFORMATION**

- |                              |                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) No Material Change:      | There has been no material change in the Issuer's assets and liabilities, financial position, profits or losses since (insert date of most recent annual or interim financial statements)                                                                                                                                                                            |
| (ii) Notices:                | For so long as any Swiss Global Covered Bond representing the Covered Bonds is deposited with the Intermediary [and in the event that the Covered Bonds are no longer listed on the SIX Swiss Exchange], any notices or publications to be made to holders will be made as provided in Condition 13 by publishing the relevant notice on the following website: [ ]. |
| (iii) Notices to the Issuer: | [specify/Not Applicable]                                                                                                                                                                                                                                                                                                                                             |

## APPLICABLE PRICING SUPPLEMENT

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Covered Bonds, whatever the denomination of those Exempt Covered Bonds under the Programme.*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF COVERED BONDS DESCRIBED BELOW.**

<sup>4</sup>**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Exempt Covered Bonds are not intended to be offered, sold or otherwise made available to and[, with effect from such date,] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (“**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the “**PRIIPs Regulation**”) for offering or selling the Exempt Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Exempt Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

**[MIFID II product governance / target market** – *[appropriate target market legend to be included]*]

[Date]

### **DNB Boligkreditt AS**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds] under the  
€60,000,000,000 Covered Bond Programme**

### **PART A – CONTRACTUAL TERMS**

Any person making or intending to make an offer of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Covered Bonds described herein. This document must be read in conjunction with the Base Prospectus dated 17 June 2020 [as supplemented by the supplement[s] dated [date[s]]] (the “**Base Prospectus**”). Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from [ ].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 17 June 2020 [and the supplements to the Base Prospectus] which are incorporated by reference in the Base Prospectus.

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<sup>4</sup> Legend to be included on front of the Pricing Supplement if the Covered Bonds potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.



*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

- |   |                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Issuer:                                                                              | DNB Boligkreditt AS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2 | (i) Series Number:                                                                   | [ ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|   | (ii) Tranche Number:                                                                 | [ ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|   | (iii) Date on which the Covered Bonds will be consolidated and form a single Series: | The Covered Bonds will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date/exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph 20 below, which is expected to occur on or about <i>[date]</i> ]/[Not Applicable]                                                                                                                                                                                                                                                             |
| 3 | Specified Currency or Currencies:                                                    | [ ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 4 | Aggregate Nominal Amount:                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|   | Series:                                                                              | [ ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|   | [Tranche:                                                                            | [ ]]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 5 | Issue Price:                                                                         | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 6 | (i) Specified Denominations:                                                         | <p>[ ]</p> <p><i>(N.B. Covered Bonds must have a minimum denomination of EUR 100,000 (or equivalent))</i></p> <p><i>(Note – where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:</i></p> <p><i>"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000].")</i></p> <p><i>(In the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made)</i></p> |
|   | (ii) Calculation Amount:                                                             | <p>[ ]</p> <p><i>(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i></p>                                                                                                                                                                                                                                                                                                                                   |

- 7 (i) Issue Date: [ ]
- (ii) Interest Commencement Date: *(N.B. An Interest Commencement Date will not be relevant for Zero Coupon Covered Bonds.)*
- (a) Period to Maturity Date: [specify/Issue Date/Not Applicable]
- (b) Period from Maturity Date up to Extended Maturity Date: [specify/Maturity Date/Not Applicable]
- 8 (i) Maturity Date: *[Fixed rate – specify date/Floating Rate – Interest Payment Date falling in or nearest to [specify month and year]]*
- (ii) Extended Maturity Date: [Applicable/Not Applicable]  
[insert date]  
[The Extended Maturity Date is [ ]].  
[In accordance with the Conditions and this Pricing Supplement, if the Issuer fails to redeem the Covered Bonds in full on the Maturity Date or within two Business Days thereafter, the maturity of the principal amount outstanding of the Covered Bonds will automatically be extended up to one year to the Extended Maturity Date without constituting an event of default or giving holders of the Covered Bonds any right to accelerate payments on the Covered Bonds. In that event, the interest rate payable on, and the interest periods and Interest Payment Dates, in respect of the Covered Bonds, will change from those that applied up to the Maturity Date and the Issuer may redeem all or part of the principal amount outstanding of those Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date, all in accordance with the Conditions and this Pricing Supplement Terms. See Conditions 3(f) and 5(i).]
- 9 Interest Basis:
- (i) Period to (and including) Maturity Date: [[ ] per cent. Fixed Rate]  
[[[ ] month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR / *specify other*] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified in paragraph [13/14/15] below)
- (ii) Period from (but excluding) Maturity Date up to (and including) Extended [Not Applicable]  
[[ ] per cent. Fixed Rate]  
[[[ ] month] [LIBOR / EURIBOR / SONIA /

- Maturity Date: SOFR / STIBOR / NIBOR / CIBOR / *specify other*] +/- [ ] per cent. Floating Rate]
- (further particulars specified in paragraph [13/14/15] below)
- 10 Redemption Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
- 11 Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there.]/[Not Applicable]*
- 12 Put/Call Options: [Not Applicable]  
[Investor Put]  
[Issuer Call]  
[(further particulars specified in paragraph [16/17] below)]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13 Fixed Rate Covered Bond Provisions
- (I) To Maturity Date: [Applicable/Not Applicable]
- (II) From Maturity Date up to Extended Maturity Date: [Applicable/Not Applicable]  
*(If (I) and (II) above are not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest:
- (a) To Maturity Date: [[ ] per cent. per annum payable in arrear on each Interest Payment Date]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/  
[[ ] per cent. per annum payable in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s):
- (a) To Maturity Date: [[ ] in each year up to and including the Maturity Date]/[specify other periodicity]/[Not Applicable]  
*(N.B. This will need to be amended in the case of long or short coupons)*
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[[ ] in each month up to and including the Extended Maturity Date]/[specify other periodicity]  
*(N.B. This will need to be amended in the case of coupons which are not on a monthly basis)*
- (iii) Fixed Coupon Amount(s):
- (a) To Maturity Date: [[ ] per Calculation Amount]/[Not Applicable]

- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ] per Calculation Amount
- (iv) Broken Amount(s):
- (a) To Maturity Date: [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
- (v) Day Count Fraction:
- (a) To Maturity Date: [Actual/Actual (ICMA)]/[30/360]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[Actual/Actual (ICMA)]/[30/360]/[Not Applicable]
- (vi) Determination Date(s):
- (a) To Maturity Date: [[ ] in each year]/[Not Applicable]  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*  
*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*  
*N.B. Only relevant where Day Count Fraction is Actual/Actual]*
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]  
[ ] in each year  
*[Insert regular interest payment dates, ignoring maturity date or extended maturity date in the case of a long or short first or last coupon]*  
*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*  
*N.B. Only relevant where Day Count Fraction is Actual/Actual]*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds which are Exempt Covered Bonds: [None/Give details]

#### 14 Floating Rate Covered Bond Provisions

- (I) To Maturity Date: [Applicable/Not Applicable]
- (II) From Maturity Date up to Extended [Applicable/Not Applicable]

Maturity Date:

*(If (I) and (II) above are not applicable, select Not Applicable in the remaining subparagraphs of this paragraph)*

- (i) Specified Period(s)/Specified Interest Payment Dates:
- (a) To Maturity Date: [ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/ not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/ not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
- (ii) Business Day Convention:
- (a) To Maturity Date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]/[Not Applicable]
- (iii) Additional Business Centre(s):
- (a) To Maturity Date: [ ]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined:
- (a) To Maturity Date: [Screen Rate Determination]/[ISDA Determination]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[Screen Rate Determination]/[ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):
- (a) To Maturity Date: [Not Applicable]/[ ]

- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[ ]
- (vi) Screen Rate Determination:
- (a) To Maturity Date:
- Reference Rate: [[[ ] month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR/specify other]]/[Not Applicable]
  - Interest Determination Date(s): [ ]/[Not Applicable]  
*(In the case of LIBOR (other than Sterling or EuroLIBOR)):* [Second London business day prior to the start of each Interest Period]  
*(In the case of Sterling LIBOR):* [First day of each Interest Period]  
*(In the case of Euro LIBOR or EURIBOR):* [Second day on which the TARGET2 System is open prior to the start of each Interest Period]  
*(In the case of SONIA):* [Condition 3(b)(ii)(C) applies]  
*(In the case of SOFR, specify):* [Condition 3(b)(ii)(D) applies]  
*(In the case of STIBOR):* [Second Stockholm business day prior to the start of each Interest Period]  
*(In the case of NIBOR):* [Second Oslo business day prior to the start of each Interest Period]  
*(In the case of CIBOR):* [First day of each Interest Period]
  - Relevant Screen Page: [ ]/[Not Applicable]  
*(In the case of EURIBOR, if not Reuters Screen EURIBOR 01 (or any successor page) ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  - Specified Time: [ ]
  - "p": [[ ] [London Banking Days/U.S. Government Securities Business Days]/Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]

- Reference Rate: ☐ ☐ month] [LIBOR / EURIBOR / SONIA / SOFR / STIBOR / NIBOR / CIBOR]/[Not Applicable]  
(Either LIBOR, EURIBOR, STIBOR, NIBOR, CIBOR or other, although additional information is required if other – including the fallback provisions in the Agency Agreement)
- Interest Determination Date(s): ☐/[Not Applicable]  
(In the case of LIBOR (other than Sterling or EuroLIBOR)): [Second London business day prior to the start of each Interest Period]  
(In the case of Sterling LIBOR): [First day of each Interest Period]  
(In the case of Euro LIBOR or EURIBOR): [Second day on which the TARGET2 System is open prior to the start of each Interest Period]  
(In the case of SONIA): [Condition 3(b)(ii)(C) applies]  
(In the case of SOFR): [Condition 3(b)(ii)(D) applies]  
(In the case of STIBOR): [Second Stockholm business day prior to the start of each Interest Period]  
(In the case of NIBOR): [Second Oslo business day prior to the start of each Interest Period]  
(In the case of CIBOR): [First day of each Interest Period]
- Relevant Screen Page: ☐/[Not Applicable]  
(In the case of EURIBOR, if not Reuters Screen EURIBOR 01 (or any successor page) ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- Specified Time: ☐]
- "p": ☐ [London Banking Days/U.S. Government Securities Business Days]/[Not Applicable]

(vii) ISDA Determination

(a) To Maturity Date:

- Floating Rate Option: ☐/[Not Applicable]
- Designated ☐/[Not Applicable]

- Maturity:
- Reset Date: [ ]/[Not Applicable]  
*(In the case of LIBOR or EURIBOR based option, the first day of the Interest Period)*  
*(N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]
- Floating Rate Option: [ ]/[Not Applicable]
  - Designated Maturity: [ ]/[Not Applicable]
  - Reset Date: [ ]/[Not Applicable]  
*(In the case of LIBOR or EURIBOR based option, the first day of the Interest Period)*
- (viii) Linear Interpolation:
- (a) To Maturity Date: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (ix) Margin(s):
- (a) To Maturity Date: [[+/-][ ] per cent. per annum]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[[+/-][ ] per cent. per annum]
- (x) Minimum Rate of Interest:
- (a) To Maturity Date: [0 per cent.]/[[ ] per cent. per annum]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date: [Not Applicable]/[[ ] per cent. per annum]
- (xi) Maximum Rate of Interest:



	(a)	To Maturity Date:	[Not Applicable]/[ ] per cent. per annum
	(b)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[ ] per cent. per annum
	(xii)	Day Count Fraction:	
	(a)	To Maturity Date:	[Not Applicable]/[Actual/365] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis]
	(b)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[Actual/365] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis]
	(xiii)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds which are Exempt Covered Bonds, if different from those set out in the Conditions:	[ ]
	(xiv)	Benchmark Discontinuation – Independent Adviser:	[Applicable/Not Applicable]
	(xv)	Benchmark Discontinuation – ARRC:	[Applicable/Not Applicable] <i>(If the Reference Rate for the Floating Rate Notes is (a) "SOFR" or (b) LIBOR (and, in the case of LIBOR, the Specified Currency is U.S. dollars), "Benchmark Discontinuation – ARRC" should be specified as applicable)</i>
15	Zero Coupon Covered Bond Provisions		[Applicable/Not Applicable] <i>(If 15 is not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)</i>
	(i)	Accrual Yield:	[ ] per cent. per annum/[Not Applicable]
	(ii)	Reference Price:	[ ]/[Not Applicable]
	(iii)	Any other formula/basis of determining amount payable for Zero Coupon Covered Bonds which are Exempt Covered Bonds:	[ ]
	(iv)	Day Count Fraction in relation to Early Redemption Amounts and late	[30/360] [Actual/360]

payment:

[Actual/365]

[Not Applicable]

## PROVISIONS RELATING TO REDEMPTION

### 16 Issuer Call

[Applicable/Not Applicable]

*(If 16 is not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)*

(i) Optional Redemption Date(s):

[ ]/[Not Applicable]

(ii) Optional Redemption Amount(s):

[[ ] per Calculation Amount]/[Not Applicable]

(iii) If redeemable in part:

Minimum Redemption Amount:

[[ ] per Calculation Amount]/[Not Applicable]

Higher Redemption Amount:

[[ ] per Calculation Amount]/[Not Applicable]

(iv) Notice period (if other than as set out in the Conditions):

[Minimum period:[ ] days

Maximum period: [ ] days]

[Not Applicable]

*(N.B. when setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent or the Covered Bondholders)*

### 17 Investor Put

[Applicable/Not Applicable]

*(If 17 is not applicable, select Not Applicable in the remaining sub-paragraphs of this paragraph)*

(i) Optional Redemption Date(s):

[ ]/[Not Applicable]

(ii) Optional Redemption Amount(s):

[[ ] per Calculation Amount]/[Not Applicable]

(iii) Notice period (if other than as set out in the Conditions):

[ ]/[Not Applicable]

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any*

*other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent or the Covered Bondholders)*

- 18 Final Redemption Amount of each Covered Bond: [ ] per Calculation Amount
- 19 Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default: [ ] per Calculation Amount
- (N.B if the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

## GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 20 Form of Covered Bonds:
- (i) Form: [Bearer Covered Bonds:
- Temporary Bearer Global Covered Bond exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Definitive Bearer Covered Bonds [on not less than 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Bearer Global Covered Bond exchangeable for Definitive Covered Bonds on and after the Exchange Date on [ ] days' notice given at any time]
- [Registered Covered Bonds:
- Registered Global Covered Bond [ ] nominal amount registered in the name [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] / Definitive Registered Covered Bonds (*specify nominal amounts*)]
- [VP Systems Covered Bonds issued in uncertificated and dematerialised book entry form]
- (ii) New Global Covered Bond: [Yes] [No]
- 21 Additional Financial Centre(s): [Not Applicable/*indicate the Additional Financial Centres*]
- (Note that this paragraph relates to the date of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which item 14(iii)) relates)*

22	Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature):	[Yes, as the Covered Bonds have more than 27 coupon payments, Talons may be required if, on exchange into definitive form more than 27 coupon payments are still to be made/No.]
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## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Not Applicable][ ]
- (ii) Estimate of total expenses related to admission to trading: [Not Applicable][ ]

### 2 RATINGS:

The Covered Bonds to be issued [[have been]/[are expected to be ]] rated *[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies)]*.][Not Applicable]

[[*Insert the legal name of the relevant CRA entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”) and is on the list of registered credit rating agencies published on ESMA website:  
<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.]

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

[Save for the fees [of *[insert relevant fee disclosure]*] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business.] *[Amend as appropriate if there are other interests]*

### 4 OPERATIONAL INFORMATION:

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CFI: [[See/[*include code*] , as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[*include code*] , as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear, Clearstream, Luxembourg (together with the address of each such clearing system) and the relevant VPS identification number: [ ]./ *Vaerdipapircentralen, Denmark. VP*

	identification number(s):	identification number: [     ]./VPC, Sweden, VPC identification number: [     ].] The Issuer shall be entitled to obtain certain information from the register maintained by VPS, VP or VPC (as the case may be) for the purposes of performing its obligations under the issue of VPS, VP or VPC (as the case may be) Covered Bonds]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[     ]
(viii)	Intended to be held in a manner which would allow Eurosystem eligibility:	<p>[Yes. Note that the designation “yes” simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] (include this text for registered Covered Bonds)] and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/</p> <p>[No. Whilst the designation is specified as “no” at the date of the Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] (include this text for registered Covered Bonds)]. Note that this does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/</p>

## 5 DISTRIBUTION

(i)	Method of distribution:	[Syndicated]/[Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/give names]

- (iii) Date of Subscription Agreement: [    ]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (v) U.S. Selling restrictions: [TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]  
*(If the Exempt Covered Bonds clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Exempt Covered Bonds may constitute “packaged” products, “Applicable” should be specified.)*
- (vii) [Prohibition of Sales to Belgium Consumers: [Applicable/Not Applicable]  
*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]*

## TERMS AND CONDITIONS OF THE COVERED BONDS

*The following are the Terms and Conditions of the Covered Bonds which will be incorporated by reference into each global Covered Bond and each definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The following Terms and Conditions will be applicable to each VP Systems Covered Bonds. VP Systems Covered Bonds will not be evidenced by any physical covered bond or document of title other than statements of account made by VPS, VP or VPC (as the case may be). Ownership of VP Systems Covered Bonds will be recorded and transfer effected only through the book entry system and register maintained by VPS, VP or VPC (as the case may be). The Applicable Pricing Supplement in relation to any Tranche of Exempt Covered Bonds may specify other Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Covered Bond and definitive Covered Bond. Reference should be made to “**Applicable Final Terms**” or “**Applicable Pricing Supplement**” for a description of the content of the Final Terms or the Pricing Supplement, as the case may be, which will specify which of such terms are to apply in relation to the relevant Covered Bonds.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by DNB Boligkreditt AS (the “**Issuer**”) pursuant to an Agency Agreement (as amended and restated on 20 June 2008, 19 June 2009, 17 June 2010, 17 June 2011, 8 June 2012, 1 July 2013, 27 June 2014, 1 July 2015, 5 February 2018, 22 June 2018 and 17 June 2020 and as may be further amended or supplemented from time to time, the “**Agency Agreement**”) dated 25 June 2007 between the Issuer, Citibank, N.A. as fiscal agent and the other agents named in it and with the benefit of a Deed of Covenant (as amended and restated on 1 July 2013 and as further amended, restated, modified and/or supplemented from time to time, the “**Deed of Covenant**”) dated 25 June 2007 executed by the Issuer in relation to the Covered Bonds.

References herein to the “**Covered Bonds**” shall be references to the Covered Bonds of this Series and shall mean:

- (i) in relation to any Covered Bonds represented by a global Covered Bond, units of each Specified Denomination in the Specified Currency;
- (ii) (in the case of Bearer Covered Bonds) definitive Bearer Covered Bonds issued in exchange (or part exchange) for a global Covered Bond;
- (iii) (in the case of Registered Covered Bonds) definitive Registered Covered Bonds;
- (iv) any global Covered Bond;
- (v) Bearer Covered Bonds which are denominated in Swiss Francs (“**Swiss Domestic Covered Bonds**”) unless otherwise specified in the applicable Final Terms will be represented by a permanent global Covered Bond (a “**Swiss Global Covered Bond**”) which will be deposited with SIX SIS AG, the Swiss Securities Services Corporation located in Olten, Switzerland (“**SIX SIS AG**” or, as the case may be, any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange AG (“**SIX Swiss Exchange**”) or any such other intermediary, the “**Intermediary**”) until final redemption or the printing of the definitive Covered Bonds; and
- (vi) Covered Bonds registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives



98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which, unless otherwise specified in the applicable Final Terms, will be the *Verdipapirsentralen* (“**VPS**”), VP Securities Services (*Værdipapircentralen A/S*), the Danish central securities depository (“**VP**”), Nordic Central Securities Depository (*NCSD Systems Aktiebolag*), the Swedish central securities depository (“**VPC**”) and/or any other clearing system as may be specified in the applicable Final Terms (as the case may be) (together “**VP Systems Covered Bonds**”).

The fiscal agent, the paying agents, the registrar, the transfer agents and the calculations agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. Each Tranche of VP Systems Covered Bonds will be created and held in uncertificated book entry form in accounts with VPS, VPC or VP (as the case may be). DNB Bank ASA, Verdipapirservice (the “**VPS Account Manager**”) and/or any other agent appointed by the Issuer from time to time (together with the VPS Account Manager, each being a “**VP Systems Account Manager**”) will act as agent of the Issuer in respect of all dealings with VPS, VP or VPC (as the case may be) in relation to VP Systems Covered Bonds.

In respect of Swiss Domestic Covered Bonds, the principal Swiss paying agent (the “**Principal Swiss Paying Agent**”) and the other Swiss paying agents (the “**Swiss Paying Agents**”, which expression shall include the Principal Swiss Paying Agent) will be specified in the applicable Final Terms, which entities shall act as Fiscal Agent and Paying Agents, respectively, in respect of the Swiss Domestic Covered Bonds and the expressions “**Fiscal Agent**” and “**Paying Agents**” as used herein shall be construed accordingly. In respect of each issue of Swiss Domestic Covered Bonds, the Issuer shall enter into a Supplemental Agency Agreement (substantially in the form of Schedule 12 to the Agency Agreement) with, *inter alia*, the Principal Swiss Paying Agent and any other Swiss Paying Agents.

Interest bearing definitive Bearer Covered Bonds have interest coupons (“**Coupons**”) and, if indicated in the applicable Final Terms, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Covered Bonds, in definitive or global form, do not have Coupons attached on issue.

The final terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms which are (except in the case of VP Systems Covered Bonds) attached to or endorsed on this Covered Bond which complete these Terms and Conditions (the “**Conditions**”) or if this Covered Bond is a Covered Bond which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation nor a Swiss Domestic Covered Bond (an “**Exempt Covered Bond**”), the final terms (or relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Covered Bond. References to the “**applicable Final Terms**” are to Part A of the Final Terms (or the relevant provisions thereof) which are (except in the case of VP Systems Covered Bonds) attached to or endorsed on this Covered Bond. Any reference in these Conditions to “**applicable Final Terms**” shall be deemed to include a reference to “**applicable Pricing Supplement**” where relevant. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129. For the purposes of the Conditions, references to the European Economic Area include the United Kingdom.

Any reference to “**Covered Bondholders**” or “**Bondholders**” shall mean the holders of the Covered Bonds, and such expression shall, in relation to any Covered Bonds represented by a global Covered Bond and in relation to VP Systems Covered Bonds, be construed as provided below; any reference herein to “**Couponholders**” means the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of Talons). VP Systems Covered Bonds are in

dematerialised form: any references in these Terms and Conditions to Coupons and Talons shall not apply to VP Systems Covered Bonds and no global or definitive Covered Bonds will be issued in respect thereof. These Terms and Conditions shall be construed accordingly.

As used herein, “**Tranche**” means Covered Bonds which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Covered Bondholders and the Couponholders are entitled to the benefit of the Deed of Covenant made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents, the Registrar and the Transfer Agents.

If this Covered Bond is admitted to trading on the regulated market of Euronext Dublin, the applicable Final Terms will be published on the website of Euronext Dublin at [www.ise.ie](http://www.ise.ie). If this Covered Bond is an Exempt Covered Bond, the applicable Pricing Supplement will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Covered Bonds and identity. The Covered Bondholders and the Couponholders are deemed to have notice of all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that in the event of any inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## **1 Form, Denomination and Title**

The Covered Bonds are in bearer form (“**Bearer Covered Bonds**”), registered form (“**Registered Covered Bonds**”) or, in the case of VP Systems Covered Bonds, uncertificated book entry form, as specified in the applicable Final Terms and, in the case of definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s). Save as provided in Condition 9 (Transfer and Exchange of Registered Covered Bonds), Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and *vice versa*. VP Systems Covered Bonds may not be exchanged for Bearer Covered Bonds or Registered Covered Bonds and *vice versa*.

This Covered Bond is a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a Zero Coupon Covered Bond, depending upon the Interest Basis shown in the applicable Final Terms.

Where the applicable Final Terms specifies that an Extended Maturity Date applies to a Series of Covered Bonds, those Covered Bonds may be Fixed Rate Covered Bonds or Floating Rate Covered Bonds, depending upon the Interest Basis shown in the applicable Final Terms in respect of the period from the Issue Date to and including the Maturity Date, and Fixed Rate Covered Bonds or Floating Rate Covered Bonds, depending upon the Interest Basis shown in the applicable Final Terms in respect of the period from the Maturity Date up to and including the Extended Maturity Date, subject as specified in the applicable Final Terms.

Definitive Bearer Covered Bonds are issued with Coupons attached, unless they are Zero Coupon Covered Bonds and an Extended Maturity Date is not specified in the applicable Final Terms to the relevant Series of Covered Bonds, in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Covered Bonds and Coupons will pass by delivery, and title to the Registered Covered Bonds will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and the Replacement Agent (as defined in the Agency Agreement), the Registrar, any Transfer Agent and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Covered Bond or Coupon and the registered holder of any Registered Covered Bond as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph, and the expressions **“Covered Bondholder”** and **“holder of Covered Bonds”** and related expressions shall be construed accordingly. The holder of a VP Systems Covered Bonds will be the person evidenced as such by a book entry in the records of VPS, VP or VPC (as the case may be). Title to the VP Systems Covered Bonds will pass by registration in the registers between the direct or indirect accountholders at VPS, VP or VPC (as the case may be) in accordance with the rules and procedures of VPS, VP or VPC (as the case may be). Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VP Systems Covered Bonds.

For so long as any of the Covered Bonds is represented by a bearer global Covered Bond held on behalf of Euroclear Bank SA/NV (**“Euroclear”**) and/or Clearstream Banking S.A. (**“Clearstream, Luxembourg”**) and/or SIX SIS AG or for so long as any of the Covered Bonds is represented by a registered global Covered Bond deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg or its nominee is the registered holder of a Registered Global Covered Bond or so long as the Covered Bond is a VP Systems Covered Bond, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, SIX SIS AG, VPS, VP or VPC, as the case may be, as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Covered Bonds standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Covered Bonds is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Fiscal Agent, the Replacement Agent and any other Paying Agent as the holder of such nominal amount of such Covered Bonds for all purposes other than (in the case only of Covered Bonds not being VP Systems Covered Bonds) with respect to the payment of principal or interest on the Covered Bonds, for which purpose, (i) in the case of Covered Bonds represented by a bearer global Covered Bond, the bearer of the relevant bearer global Covered Bond or, (ii) in the case of Covered Bonds represented by a registered global Covered Bond, deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg, such common depositary or common safekeeper, shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such Covered Bonds in accordance with and subject to the terms of the relevant global Covered Bond and the expressions **“Covered Bondholder”** and **“holder of Covered Bonds”** and related expressions shall be construed accordingly.

Swiss Domestic Covered Bonds will be represented upon issue by a Swiss Global Covered Bond which will be deposited with the Intermediary until final redemption or the printing of definitive Covered Bonds.

Once the Swiss Global Covered Bond is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Domestic Covered Bond will

constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each holder (as such term shall be construed in accordance with the following paragraph) of Swiss Domestic Covered Bonds shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Swiss Global Covered Bond to the extent of his claim against the Issuer, provided that for so long as the Swiss Global Covered Bond remains deposited with the Intermediary the co-ownership interest shall be suspended and the Swiss Domestic Covered Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e., by the entry of the transferred Swiss Domestic Covered Bonds in a securities account of the transferee.

The records of the Intermediary will determine the number of Swiss Domestic Covered Bonds held through each participant in that Intermediary. In respect of the Swiss Domestic Covered Bonds held in the form of Intermediated Securities, the holders of the Swiss Domestic Covered Bonds will be the persons holding the Swiss Domestic Covered Bonds in a securities account. The term "**holders**" as used herein shall, in relation to any such Swiss Domestic Covered Bonds held in the form of Intermediated Securities, be construed accordingly.

Holders of Swiss Domestic Covered Bonds do not have the right to request the printing and delivery of definitive Covered Bonds. Interests in the Swiss Global Covered Bonds will be exchangeable, in whole but not in part, for definitive Covered Bonds if the Principal Swiss Paying Agent (i) determines that the presentation of definitive Covered Bonds is required by Swiss or other applicable laws and regulations in connection with the enforcement of rights or (ii) deems the printing and delivery of definitive Covered Bonds to be useful or desirable for any other reason. Should the Principal Swiss Paying Agent so determine, it shall provide for the printing of definitive Covered Bonds without cost to the holders. Upon delivery of the definitive Covered Bonds, the Swiss Global Covered bond will be cancelled and the definitive Covered Bonds shall be delivered to the holders against cancellation of the Swiss Domestic Covered Bonds in the holders' securities accounts.

Covered Bonds which are represented by a global Covered Bond and VP Systems Covered Bonds will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, SIX SIS AG, VPS, VP and/or VPC, as the case may be.

References to Euroclear, Clearstream, Luxembourg, SIX SIS AG, VPS, VP and/or VPC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Fiscal Agent.

If specified in the applicable Final Terms, a Temporary Bearer Covered Bond or a Permanent Bearer Covered Bond may be issued in new global Covered Bond form (a "**New Global Covered Bond**" or a "**NGCB**").

## **2 Status of the Covered Bonds**

The Covered Bonds are unsubordinated obligations issued in accordance with Chapter 11, Sub-chapter II of the Norwegian Act on financial institutions and financial groups of 10 April 2015 No 17 (the "**Financial Institutions Act**"), and rank *pari passu* among themselves and with all other obligations of the Issuer that have been provided the same priority as debt instruments issued pursuant to the Financial Institutions Act. To the extent that claims in relation to the Covered Bonds and relating derivative agreements are not met out of the assets of the Issuer that are covered in accordance with the Financial Institutions Act, the residual claims will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer.

## **3 Interest**

### **(a) Interest on Fixed Rate Covered Bonds**

Each Fixed Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

The amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

As used in these Terms and Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 3(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (a) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (b) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

“**Determination Period**” means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or

the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Covered Bonds*

(i) Interest Payment Dates

Each Floating Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date (or, if the Issuer elects to redeem the Covered Bonds on any earlier redemption date, the relevant redemption date)).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “**Business Day**” means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to interest payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System or any successor thereto (the “**TARGET System**”) is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Covered Bonds

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent under an interest rate swap transaction if the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent were acting as Calculation Agent (as such term is defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds (the “**ISDA Definitions**”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“**LIBOR**”) or on the Euro-zone inter-bank offered rate (“**EURIBOR**”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this Condition 3(b)(ii)(A), “**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

- (B) Screen Rate Determination for Floating Rate Covered Bonds (other than Floating Rate Covered Bonds which specify the Reference Rate as SONIA or SOFR)

Unless Condition 3(b)(ii)(C) or Condition 3(b)(ii)(D) applies, where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case at the Specified Time, the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent shall request the principal London office of each of the Reference Banks to provide the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent. **“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent and in the case of a determination of a Reference Rate that is not LIBOR or EURIBOR, the principal office of four major banks in the inter-bank market of the Relevant Financial Centre.

If on any Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent with such offered



quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Stockholm inter-bank market (if the Reference Rate is STIBOR), the Oslo inter-bank market (if the Reference Rate is NIBOR) or the Copenhagen inter-bank market (if the Reference Rate is CIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Stockholm inter-bank market (if the Reference Rate is STIBOR), the Oslo inter-bank market (if the Reference Rate is NIBOR) or the Copenhagen inter-bank market (if the Reference Rate is CIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

For the purposes of this Condition 3(b)(ii)(B), "**Reference Rate**" means (i) the London interbank offered rate ("**LIBOR**"), (ii) the Euro-zone interbank offered rate ("**EURIBOR**"), (iii) the Stockholm interbank offered rate ("**STIBOR**"), (iv) the Oslo interbank offered rate ("**NIBOR**") or (v) the Copenhagen interbank offered rate ("**CIBOR**"), in each case as specified in the applicable Final Terms.

(C) Screen Rate Determination for Floating Rate Covered Bonds referencing SONIA

- (1) Where (i) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and (ii) "SONIA" is specified in the applicable Final Terms as the "Reference Rate", the Rate of Interest for each Interest Period

will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent.

(2) For the purposes of this Condition 3(b)(ii)(C):

**"Compounded Daily SONIA"**, with respect to an Interest Period, will be calculated by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent, on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{SONIA}_{i-\text{pLBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

**"d"** means, for any Interest Period, the number of calendar days in such Interest Period;

**"d<sub>o</sub>"** means, for any Interest Period, the number of London Banking Days in such Interest Period;

**"i"** means, for any Interest Period, a series of whole numbers from one to d<sub>o</sub>, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, and including, the last London Banking Day in such Interest Period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Covered Bonds are due and payable);

**"London Banking Day"** or **"LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**"n<sub>i</sub>"** for any London Banking Day "i", the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

**"p"** for any Interest Period, means the number of London Banking Days specified in the applicable Final Terms;

**"Reference Period"** means, in respect of an Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Covered Bonds become due and payable);

**"SONIA Reference Rate"** means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen

Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"SONIA<sub>i-pLBD</sub>" means, in respect of any London Banking Day "i" falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling p London Banking Days prior to the relevant London Banking Day "i".

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

- (3) If, in respect of any London Banking Day in the relevant Reference Period, the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:
- (A) (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
  - (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).
- (4) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(c), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Covered Bonds for the first Interest Period had the Covered Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin (if any) applicable to the first Interest Period).

(D) Screen Rate Determination for Floating Rate Covered Bonds referencing SOFR

(1) Where (i) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and (ii) "SOFR" is specified in the applicable Final Terms as the "Reference Rate", the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 3(d), be the Benchmark plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent.

(2) For the purposes of this Condition 3(b)(ii)(D):

**"Benchmark"** means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 3(b)(ii)(D).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days in the Observation Period will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 3(d) below will apply.

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Covered Bonds are due and payable);

**"U.S. Government Securities Business Day"** means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

**"Observation Period"** in respect of each Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period;

"p" for any Interest Period, means the number of U.S. Government Securities Business Days specified in the applicable Final Terms;

"SOFR" with respect to any U.S. Government Securities Business Day, means:

- (A) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or
- (B) if the rate specified above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source; and

"**Compounded SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"**d<sub>o</sub>**" for any Observation Period, is the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**SOFR<sub>i</sub>**" for any U.S. Government Securities Business Day "**i**" in the relevant Observation Period, is equal to SOFR in respect of that day "**i**";

"**n<sub>i</sub>**" for any U.S. Government Securities Business Day "**i**" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "**i**" to, but excluding, the following U.S. Government Securities Business Day ("**i+1**"); and

"**d**" is the number of calendar days in the relevant Observation Period.

- (iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amounts

The Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent will calculate the amount of interest (the “**Interest Amount**”) payable per Calculation Amount in respect of the Floating Rate Covered Bonds for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 3(b):

- (i) if “Actual/365” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

**“Designated Maturity”** means, in relation to the Screen Rate Determination, the period of time designated in the Reference Rate.

(vi) Notification of Rate of Interest and Interest Amounts

The Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent, each of the other Paying Agents, the Covered Bondholders and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and, in the case of VP Systems Covered Bonds, VPS, VP, VPC or any other relevant clearing system (as the case may be) and each VP Systems Account Manager and notice thereof to be published in accordance with Condition 13 (Notices) as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bondholders in accordance with Condition 13 (Notices). For the purposes of this paragraph, the expression **“London Business Day”** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) Determination or Calculation by Fiscal Agent

If for any reason at any relevant time where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent defaults in its obligation to determine the Rate of Interest or any Interest Amount in accordance with the above provisions or as otherwise specified in the applicable Final Terms, as the case may be, and in each

case in accordance with paragraph (iv) above, the Fiscal Agent shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Fiscal Agent shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(viii) **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b), whether by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the other Paying Agents, the Registrar, the Transfer Agents and all Covered Bondholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Covered Bondholders or the Couponholders shall attach to the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(ix) **Exempt Covered Bonds**

In the case of Exempt Covered Bonds which are also Floating Rate Covered Bonds where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Exempt Covered Bonds will be determined as provided in the applicable Pricing Supplement.

(c) ***Benchmark Discontinuation - Independent Adviser***

This Condition 3(c) applies only if “Benchmark Discontinuation – Independent Adviser” is specified to be applicable in the applicable Final Terms and where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined. This Condition 3(c) shall not apply to the Covered Bonds for which the Reference Rate is specified in the applicable Final Terms as being “SOFR”.

Notwithstanding the provisions above in Condition 3, if the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the then following provisions of this Condition 3(c) shall apply.

- (i) The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3(c)(ii)(B) and, in either case, an Adjustment Spread, if any (in accordance with Condition 3(c)(iii) and any Benchmark Amendments (in accordance with Condition 3(c)(iv).

An Independent Adviser appointed pursuant to this Condition 3(c) shall act in good faith and in a commercially reasonable manner and (in the absence of fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents or the Covered Bondholders for any determination made by it or for any advice given to the



Issuer in connection with any determination made by the Issuer, pursuant to this Condition 3(c).

- (ii) If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that:
  - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3(c)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 3(c); or
  - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 3(c)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 3(c).
- (iii) If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).
- (iv) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 3(c) and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 3(c)(v), without any requirement for the consent or approval of Covered Bondholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 3(c)(iv), the Issuer shall comply with the rules of any stock exchange on which the Instruments are for the time being listed or admitted to trading.
- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3(c) will be notified promptly by the Issuer to the Fiscal Agent, the Paying Agents and, in accordance with Condition 13 (Notices), the Covered Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (vi) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two duly authorised officers of the Issuer:
  - (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendment,

in each case as determined in accordance with the provisions of this Condition 3(c); and

- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Covered Bondholders.

- (vii) Without prejudice to the obligations of the Issuer under Condition 3(c)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 3(b)(ii)(B) will continue to apply unless and until (i) an Independent Adviser is appointed and (ii) either a Successor Rate or Alternative Rate is determined, and any Adjustment Spread and Benchmark Amendments are determined, in each case pursuant to this Condition 3(c).
- (viii) As used in this Condition 3(c):

**“Adjustment Spread”** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (C) (if no such recommendation has been made, or in the case of an Alternative Rate), the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Issuer determines that no such industry standard is recognised or acknowledged), the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Covered Bondholders as a result of the replacement of the Original

Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

**“Alternative Rate”** means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 3(c)(ii)(B) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Covered Bonds.

**“Benchmark Amendments”** has the meaning given to it in Condition 3(c)(iv).

**“Benchmark Event”** means:

- (1) the Original Reference Rate ceasing to exist or be published as a result of the Original Reference Rate ceasing to be calculated or administered; or
- (2) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Covered Bonds, in each case by a specified future date within the following six months; or
- (5) a public statement by the supervisor of the administrator of the Original Reference Rate (as applicable) that, in the view of such supervisor, the Original Reference Rate is no longer representative of an underlying market; or
- (6) it has or will, by a specified date, within the following six months, become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

**“Independent Adviser”** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 3(c)(i).

**“Original Reference Rate”** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Covered Bonds.

**“Relevant Nominating Body”** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

*(d) Benchmark Discontinuation - ARRC*

This Condition 3(d) applies only if (i) the Reference Rate is specified as SOFR in the applicable Final Terms or (ii) the Specified Currency is U.S. dollars and the Reference Rate is specified in the applicable Final Terms as LIBOR and, in either case, "Benchmark Discontinuation – ARRC" is specified to be applicable in the applicable Final Terms and where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined.

If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Covered Bonds in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of Covered Bondholders.

Any determination, decision or election that may be made by the Issuer pursuant to this Condition 3(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Covered Bonds, shall become effective without consent from the holders of the Covered Bonds or any other party.

**"Benchmark"** means, initially, LIBOR or Compounded SOFR, as the case may be; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or Compounded SOFR (or the published daily SOFR used in the calculation thereof), as the case may be, or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

**"Benchmark Replacement"** means:

- (i) In the case of Covered Bonds where the Reference Rate is LIBOR for U.S. dollars, the Interpolated Benchmark with respect to the then-current Benchmark; provided that if the Issuer cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then **"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:
  - (A) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;
  - (B) the sum of: (a) Compounded SOFR (as determined in accordance with Condition 3(b)(ii)(D) above) and (b) the Benchmark Replacement Adjustment;
  - (C) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
  - (D) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
  - (E) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate covered bonds at such time and (b) the Benchmark Replacement Adjustment;
- (ii) In the case of Covered Bonds where the Reference Rate is SOFR, **"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:
  - (A) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;
  - (B) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
  - (C) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate covered bonds at such time and (b) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate covered bonds at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark (including, in the case of Compounded SOFR, the daily published component used in the calculation thereof):

- (i) in the case of paragraph (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of paragraph (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including, in the case of Compounded SOFR, the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such

statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"Corresponding Tenor"** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

**"Interpolated Benchmark"** with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (A) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (B) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

**"ISDA Definitions"** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means (i) if the Benchmark is LIBOR, the Specified Time, (ii) if the Benchmark is Compounded SOFR, the SOFR Determination Time (as defined in Condition 3(b)(ii)(D)), and (iii) if the Benchmark is neither LIBOR nor Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

**"Term SOFR"** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR (as defined in Condition 5(d) above) that has been selected or recommended by the Relevant Governmental Body; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 3(d) will be notified promptly by the Issuer to the Fiscal Agent, the Paying Agents and, in accordance with Condition 13, the Covered Bondholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (i) that a Benchmark Transition Event has occurred, (ii) the relevant Benchmark Replacement and, (iii) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 3(d); and
- (ii) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

The Benchmark Replacement and the Benchmark Replacement Adjustment (if any) and the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error in the determination of the Benchmark Replacement and the Benchmark Replacement Adjustment (if any) and the Benchmark Replacement Conforming Changes (if any) and without prejudice to the Fiscal Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Covered Bondholders.

In connection with any such variation in accordance with this Condition 3(d), the Issuer shall comply with the rules of any stock exchange on which the Covered Bonds are for the time being listed or admitted to trading.

*(e) Accrual of Interest*

Subject as provided in Condition 3(f) (Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date), each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue in accordance with these Terms and Conditions.

*(f) Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*

- (i) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with Condition 5(i) (Extension of Maturity up to Extended Maturity Date), the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed in full or the Extended Maturity Date, subject to Condition 3(e) (Accrual of Interest). In that event, interest shall be payable on those Covered Bonds at the rate determined in accordance with Condition 3(f)(ii) on the principal amount outstanding of the Covered Bonds in arrear on the Interest Payment Date in each month after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date, subject as otherwise provided in the applicable Final Terms. The final Interest Payment Date shall fall no later than the Extended Maturity Date.
- (ii) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with Condition 5(i) (Extension of Maturity up to Extended Maturity Date), the rate of interest payable from time to time in respect of



the principal amount outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date will be as specified in the applicable Final Terms and, where applicable, determined by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms.

- (iii) In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date and for which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 3(f) the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.
- (iv) This Condition 3(f) shall only apply to Covered Bonds to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those Covered Bonds (in full) on the Maturity Date (or within two Business Days thereafter) and the maturity of those Covered Bonds is automatically extended up to the Extended Maturity Date in accordance with Condition 5(i) (Extension of Maturity up to Extended Maturity Date).

#### **4 Payments**

##### **(a) Method of Payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

References to "**Specified Currency**" will include any successor currency under applicable law.

##### **(b) Payments Subject to Fiscal and Other Laws**

Payments will be subject in all cases, but without prejudice to the provisions of Condition 6, to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto.

##### **(c) Presentation of Covered Bonds and Coupons**

Payments of principal in respect of definitive Bearer Covered Bonds will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of definitive Bearer Covered Bonds, and payments of interest in respect of definitive Bearer Covered Bonds will (subject

as provided below) be made as aforesaid only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Except as provided below, all payments of interest and principal with respect to Bearer Covered Bonds will be made at such paying agencies outside the United States as the Issuer may appoint from time to time and to accounts outside the United States.

Fixed Rate Covered Bonds in definitive bearer form (other than Long Maturity Covered Bonds (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 6 (Taxation)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7 (Prescription)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Covered Bond in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Covered Bond or Long Maturity Covered Bond in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **“Long Maturity Covered Bond”** is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Covered Bond.

If the due date for redemption of any definitive Bearer Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such definitive Bearer Covered Bond from (and including) the preceding Interest Payment Date or Interest Commencement Date, as the case may be, shall be payable only against surrender of the relevant definitive Bearer Covered Bond.

Payments of principal and interest (if any) in respect of Covered Bonds represented by any bearer global Covered Bond will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Covered Bonds and otherwise in the manner specified in the relevant bearer global Covered Bond against presentation or surrender, as the case may be, of such bearer global Covered Bond at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such bearer global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such bearer global Covered Bond by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

The holder of a global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such global Covered Bond and the Issuer will be discharged by payment to, or to the order of, the holder of such global Covered Bond in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Covered Bonds represented by such global Covered Bond must look solely to Euroclear or Clearstream, Luxembourg, as the case

may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Covered Bond.

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of Bearer Covered Bonds is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Bearer Covered Bonds will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Covered Bonds in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Payments of principal in respect of Registered Covered Bonds (whether in definitive or global form) will be made in the manner provided in paragraph (a) above to the persons in whose name such Covered Bonds are registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Covered Bonds at the specified office of the Registrar or the Transfer Agent.

Payments of interest due on a Registered Covered Bond (whether in definitive or global form) and payments of principal on a Registered Covered Bond, will be made in the manner specified in paragraph (a) to the person in whose name such Covered Bond is registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the “**Record Date**”)) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Covered Bonds is required by credit or transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

Payments of principal and interest in respect of VP Systems Covered Bonds will be made to the Covered Bondholders shown in the records of VPS, VP, VPC or any other relevant clearing system (as the case may be), in accordance with and subject to the rules and regulations from time to time governing VPS, VP, VPC or any other relevant clearing system (as the case may be).

*(d) Payment Day*

If the date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which is (subject to Condition 7 (Prescription)):

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Covered Bonds in definitive form, the relevant place of presentation; and
  - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

*(e) Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 3 (Interest) or Condition 6 (Taxation);
- (ii) the Final Redemption Amount of the Covered Bonds;
- (iii) the Early Redemption Amount of the Covered Bonds;
- (iv) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (v) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 5(e) (Early Redemption Amounts)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds.

Any reference in these Terms and Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 (Taxation) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Agency Agreement.

*(f) Payments in respect of Swiss Domestic Covered Bonds*

Notwithstanding the foregoing provisions of this Condition 4, payments of principal and interest in respect of Swiss Domestic Covered Bonds shall be made only at the offices of any Swiss Paying Agent in Switzerland in freely disposable Swiss Francs without collection costs and whatever the circumstances may be, irrespective of nationality, domicile or residence of the holder of Covered Bonds and without requiring any certification, affidavit or the fulfilment of any other formality. Payments on the Swiss Domestic Covered Bonds will also be made irrespective of any present or future transfer restrictions and regardless of any bilateral or multilateral payment or clearing agreement which may be applicable at any time to such payment.

The receipt in full by the Principal Swiss Paying Agent of the due and punctual payment of the funds in Swiss Francs in Zürich in the manner provided by these Conditions and in the applicable Final Terms shall release the Issuer from its obligations under the Swiss Domestic Covered Bonds for the payment of principal and interest due on the respective payment dates to the extent of such payments, except to the extent that there is default in the subsequent payment thereof to the holders of Covered Bonds or Coupons (as the case may be).

## **5 Redemption and Purchase**

### **(a) At Maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date, subject as provided below if an Extended Maturity Date is specified in the applicable Final Terms.

### **(b) Redemption for Tax Reasons**

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent (and, in the case of VP Systems Covered Bonds, each VP Systems Account Manager) and, in accordance with Condition 13 (Notices), the Covered Bondholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (Taxation) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Covered Bonds; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent and, in the case of VP Systems Covered Bonds, to each VP Systems Account Manager a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Covered Bonds redeemed pursuant to this Condition 5(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **(c) Redemption at the Option of the Issuer (Issuer Call)**

If Issuer Call is specified in the applicable Final Terms, the Issuer shall, having given:

- (i) not less than 5 nor more than 30 Business Days' notice to the Covered Bondholders in accordance with Condition 13 (Notices); and
- (ii) not less than 4 Business Days before the giving of the notice referred to in (i), notice to the Fiscal Agent and (in the case of a redemption of Registered Covered Bonds) the Registrar and (in the case of a redemption of VP Systems Covered Bonds) each VP Systems Account Manager,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date and at the

Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds (or, as the case may be, parts of Registered Covered Bonds) to be redeemed ("**Redeemed Covered Bonds**") will, be selected individually by lot without involving any part only of a Bearer Covered Bond, in the case of Redeemed Covered Bonds represented by definitive Covered Bonds, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or SIX SIS AG, as the case may be, in the case of Redeemed Covered Bonds represented by a global Covered Bond and in accordance with the rules of VPS, VP, VPC or any other relevant clearing system (as the case may be), in the case of VP Systems Covered Bonds, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Covered Bonds represented by definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 13 (Notices) not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Calculation Amount, and the aggregate nominal amount of Redeemed Covered Bonds represented by a global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. No exchange of the relevant global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 13 (Notices) at least 5 days prior to the Selection Date.

*(d) Redemption at the Option of the Covered Bondholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Covered Bond giving to the Issuer in accordance with Condition 13 (Notices) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Covered Bond is in definitive form and held outside Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must deliver such Covered Bond at the specified office of any Paying Agent, in the case of Bearer Covered Bonds, or any Transfer Agent or the Registrar in the case of Registered Covered Bonds at any time during normal business hours of such Paying Agent, Transfer Agent or the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

If this Covered Bond is represented by a global Covered Bond or is a Covered Bond in definitive form and held through Euroclear or Clearstream, Luxembourg or SIX SIS AG, to exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must, within the notice period, give notice to the Fiscal Agent or the Registrar of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or SIX SIS AG (which may include

notice being given on his instruction by Euroclear or Clearstream, Luxembourg, SIX SIS AG or any common depositary for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg or SIX SIS AG, as the case may be, from time to time and, if this Covered Bond is represented by a global Covered Bond in bearer form, at the same time present or procure the presentation of the relevant global Covered Bond to the Fiscal Agent for notation accordingly.

If this Covered Bond is a VP Systems Covered Bonds, to exercise the right to require redemption of the VP Systems Covered Bonds, the holder of the VP Systems Covered Bonds, must, within the notice period, give notice to the relevant account operator of such exercise in accordance with the standard procedures of VPS, VP, VPC or any other relevant clearing system (as the case may be) from time to time.

Any Put Notice given by a holder of any Covered Bond pursuant to this paragraph shall be irrevocable.

*(e) Early Redemption Amounts*

For the purpose of paragraph (b) above:

- (i) each Covered Bond (other than a Zero Coupon Covered Bond) will be redeemed at its Early Redemption Amount; and
- (ii) each Zero Coupon Covered Bond will be redeemed at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount per Calculation Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price per Calculation Amount;

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

*(f) Purchases*

The Issuer, DNB ASA or any of their respective subsidiaries may at any time purchase beneficially or procure others to purchase beneficially for its account Covered Bonds (provided that, in the case of definitive Bearer Covered Bonds, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer, DNB ASA or any of their respective subsidiaries, surrendered to any Paying Agent and/or the Registrar for cancellation.

*(g) Cancellation*

All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Covered Bonds, all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). The details of all Covered Bonds so cancelled and the Covered Bonds purchased and cancelled pursuant to Condition 5(f) (Purchases) (together, in the case of definitive Bearer Covered Bonds, with all unmatured Coupons cancelled therewith) shall be forwarded to the Fiscal Agent and, in the case of VP Systems Covered Bonds, shall be deleted from the records of VPS, VP, VPC or any other relevant clearing system (as the case may be) and cannot be reissued or resold.

*(h) Late payment on Zero Coupon Covered Bonds*

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to paragraph (a), (b), (c) or (d) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Covered Bondholders in accordance with Condition 13 (Notices).

*(i) Extension of Maturity up to Extended Maturity Date*

- (i) An Extended Maturity Date may be specified in the applicable Final Terms as applying to a Series of Covered Bonds.
- (ii) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the Issuer fails to redeem all of those Covered Bonds in full on the Maturity Date or within two Business Days thereafter, the maturity of the Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Terms and Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise provided for in the applicable Final Terms. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms. The Issuer shall give to the Covered Bondholders (in accordance with Condition 13 (Notices)) and the Paying Agents, notice of its intention to redeem all or any of the principal amount outstanding of the Covered Bonds in full at least five Business Days prior to the relevant Interest Payment Date or, as applicable, the Extended Maturity Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date or as applicable, the Extended Maturity Date or give rise to rights in any such person. Accordingly, such Paying Agent will notify Clearstream, Luxembourg and Euroclear of the Issuer's intention to redeem the Covered Bonds in whole, redeem the Covered Bonds in part, or extend the Maturity Date, promptly upon receipt of such instruction from the Issuer (and in any event by no later than three Business Days prior to the Maturity Date of the Covered Bonds).
- (iii) In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date to which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 5(i) the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Terms and Conditions.
- (iv) Any extension of the maturity of Covered Bonds under this Condition 5(i) shall be irrevocable. Where this Condition 5(i) applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 5(i) shall not constitute an event of default for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Terms and Conditions.



- (v) In the event of the extension of the maturity of Covered Bonds under this Condition 5(i), interest rates, interest periods and interest payment dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and Condition 3(f) (Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date).
- (vi) If the Issuer redeems part and not all of the principal amount outstanding of Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date, the redemption proceeds shall be applied rateably across the Covered Bonds and the principal amount outstanding on the Covered Bonds shall be reduced by the level of that redemption.
- (vii) If the maturity of any Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 5(i), subject as otherwise provided for in the applicable Final Terms, for so long as any of those Covered Bonds remains in issue, the Issuer shall not issue any further mortgage Covered Bonds, unless the proceeds of issue of such further mortgage Covered Bonds are applied by the Issuer on issue in redeeming in whole or in part the relevant Covered Bonds in accordance with the terms hereof.
- (viii) This Condition 5(i) shall only apply to Covered Bonds to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those Covered Bonds in full on the Maturity Date (or within two Business Days thereafter).

## 6 Taxation

All payments of principal and interest in respect of the Covered Bonds and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Covered Bond or Coupon:

- (i) presented for payment in Norway; or
- (ii) the holder of which is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Covered Bond or Coupon; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4(d) (Payment Day)); or
- (iv) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreement thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto; or

- (v) presented for payment by or on behalf of a holder who have been be able to avoid such withholding or deduction by presenting the relevant Covered Bond or Coupon to another Paying Agent in a Member State of the European Union.

As used herein,

- (i) the “**Tax Jurisdiction**” means the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar or, in the case of VP Systems Covered Bonds, the holders of the VP Systems Covered Bonds, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 13 (Notices).

## **7 Prescription**

The Covered Bonds (whether in bearer, registered or uncertificated book entry form) and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 6 (Taxation)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 4(c) (Presentation of Covered Bonds and Coupons) or any Talon which would be void pursuant to Condition 4(c) (Presentation of Covered Bonds and Coupons).

## **8 Replacement of Covered Bonds, Coupons and Talons**

Should any Covered Bond, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Replacement Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Covered Bonds, Coupons or Talons must be surrendered before replacements will be issued.

## **9 Transfer and Exchange of Registered Covered Bonds**

### *(a) Form of Registered Covered Bonds*

Registered Covered Bonds will initially be represented by a permanent global Covered Bond in registered form, without interest coupons (the “**Registered Global Covered Bond**”), registered in the name of a common depositary or common safekeeper, as the case may be for the accounts of Euroclear and Clearstream, Luxembourg.

Subject as otherwise provided in this Condition 9, Registered Covered Bonds in definitive form may be exchanged or transferred in whole or in part in the authorised denominations for one or more definitive Registered Covered Bonds of like aggregate nominal amount.

### *(b) Exchange of interests in Registered Global Covered Bonds for Registered Covered Bonds in definitive form*

Interests in the Registered Global Covered Bond will be exchangeable for Registered Covered Bonds in definitive form if (i) Euroclear and/or Clearstream, Luxembourg, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such Registered Global Covered Bond or (ii) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced its intention permanently to cease business or has

in fact done so, and a successor depositary or alternative clearing system satisfactory to the Issuer, the Fiscal Agent, the other Paying Agents and the Covered Bondholders is not available, or (iii) a payment default has occurred and is continuing with respect to such Covered Bonds, or (iv) if the applicable Final Terms so permit, a written request for one or more Registered Covered Bonds in definitive form is made by a holder of a beneficial interest in a Registered Global Covered Bond; provided that in the case of (iv) such written notice or request, as the case may be, is submitted to the Registrar by the beneficial owner not later than 60 days prior to the requested date of such exchange. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Registered Covered Bonds in definitive form to be delivered provided that, notwithstanding the above, no Registered Covered Bonds in definitive form will be issued until the expiry of the period that ends 40 days after completion of the distribution of each Tranche of Covered Bonds, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the Lead Manager, in the case of a syndicated issue (the “**Distribution Compliance Period**”).

(c) *Transfers of Registered Global Covered Bonds*

Transfers of a Registered Global Covered Bond shall be limited to transfers of such Registered Global Covered Bond, in whole but not in part, in accordance with the procedures of Euroclear and Clearstream, Luxembourg and in accordance with the terms and conditions specified in the Agency Agreement.

(d) *Exchanges and transfers of Registered Covered Bonds generally*

Registered Covered Bonds may not be exchanged for Bearer Covered Bonds and vice versa.

Holders of Registered Covered Bonds in definitive form may exchange such Covered Bonds for interests in a Registered Global Covered Bond of the same type at any time.

Transfers of beneficial interests in Registered Global Covered Bonds will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Covered Bond will be transferable and exchangeable for Covered Bonds in definitive form or for a beneficial interest in another Registered Global Covered Bond only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be (the “**Applicable Procedures**”).

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Covered Bond in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms) by the holder or holders surrendering the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer, the Fiscal Agent and the Registrar, or as the case may be, the relevant Transfer Agent prescribe. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Registered Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in

respect of the balance of the Registered Covered Bond not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Registered Covered Bond in definitive form for an interest in, or to a person who takes delivery of such Covered Bond through, a Registered Global Covered Bond will be made no later than 60 days after the receipt by the Registrar or as the case may be, relevant Transfer Agent of the Registered Covered Bond in definitive form to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

*(e) Registration of transfer upon partial redemption*

In the event of a partial redemption of Covered Bonds under Condition 5 (Redemption and Purchase), the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond, called for partial redemption.

*(f) Closed Periods*

No Covered Bondholder may require the transfer of a Registered Covered Bond to be registered during the period of 30 days ending on the due date for any payment of principal or interest on that Covered Bond.

*(g) Costs of exchange or registration*

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by other than regular mail (if any) and, if the Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto which will be borne by the Covered Bondholder) will be borne by the Issuer.

**10 Fiscal Agent, Paying Agents, Transfer Agents, Registrar and VP Systems Account Manager**

The names of the initial Fiscal Agent, the initial Registrar and the other initial Paying Agents and the initial Transfer Agents and their initial specified offices are set out below. If any additional Paying Agents, Registrars or Transfer Agents are appointed in connection with any Series, the names of such Paying Agents, Registrars or Transfer Agents, as the case may be, will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or the Registrar or any Transfer Agent or any VP Systems Account Manager or any Calculation Agent and/or appoint additional or other Paying Agents or additional or other Registrars, Transfer Agents, VP Systems Account Managers or Calculation Agents and/or approve any change in the specified office through which any Paying Agent, Registrar, Transfer Agent, VP Systems Account Manager or Calculation Agent acts, provided that (other than in the case of Swiss Domestic Covered Bonds):

- (i) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Fiscal Agent), in the case of Bearer Covered Bonds, and a Transfer Agent (which may be the Registrar), in the case of Registered Covered Bonds, with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;
- (ii) there will at all times be a Paying Agent (which may be the Fiscal Agent) with a specified office in a city in continental Europe outside Norway;
- (iii) there will at all times be a Fiscal Agent;

- (iv) there will at all times be a Transfer Agent having a specified office in a place approved by the Fiscal Agent;
- (v) there will at all times be a Registrar with a specified office outside the United Kingdom and, so long as the Covered Bonds are listed on any stock exchange, in such place as may be required by the rules and regulations of the relevant stock exchange; and
- (vi) in the case of VP Systems Covered Bonds issued from time to time, there will at all times be a VP Systems Account Manager authorised to act as an account operating institution with VPS, VP, VPC or any other relevant clearing system (as the case may be) and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VP Systems Covered Bonds so require.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the eleventh paragraph of Condition 4(c) (Presentation of Covered Bonds and Coupons). Notice of any variation, termination, appointment or change will be given to the Covered Bondholders promptly in accordance with Condition 13 (Notices). In the case of Swiss Domestic Covered Bonds, the Issuer will at all times maintain a Paying Agent having a specified office in Switzerland and will at no time appoint a Paying Agent having a specified office outside Switzerland.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## **11 Issuer Covenants**

- (i) Maintenance of the Issuer Cover Pool:

For so long as the Covered Bonds are outstanding, the Value (as defined below) of the Issuer Cover Pool (as defined below) will at all times exceed 102 per cent. of the outstanding principal amount of the Covered Bonds issued under the Issuer's €60,000,000,000 Covered Bond Programme and any other mortgage covered bonds of the Issuer in issue at such time.

- (ii) Other Issuer Covenants:

For so long as any of the Covered Bonds are outstanding, save where the Norwegian Supplementary Regulations (as defined below) provide otherwise, the Issuer shall ensure that:

- (A) Composition of the Issuer Cover Pool

- (1) the Cover Pool (as defined under the Financial Institutions Act) maintained or to be maintained by the Issuer under the Financial Institutions Act shall comply with the requirements of the Financial Institutions Act and shall only include loans secured (i) by Residential Mortgages, (ii) by mortgages over second homes or (iii) by mortgages over joint debt of housing cooperatives secured by mortgages over the real property of such entity (in addition to receivables in the form of derivatives agreements specified under the Financial Institutions Act and substitute assets (as defined under the Financial Institutions Act));
- (2) substitute assets within the meaning of the Financial Institutions Act only makes up to 20 per cent. of the Issuer Cover Pool, save where special authority has been granted by the Norwegian Financial Supervisory Authority in accordance with the Financial Institutions Act, in which case, substitute assets will not exceed 30 per cent. of the Issuer Cover Pool;

(B) Loan-to-Value Ratio

- (1) the Value of each loan forming part of the Issuer Cover Pool which falls within the meaning of a specific category of mortgages under the Financial Institutions Act shall not exceed the percentage applicable to such category of mortgages (as prescribed under the Financial Institutions Act) of the Property Value of the property securing such loan at the time at which the loan is contributed to the Issuer Cover Pool; and
- (2) if at any time the Value of a loan forming part of the Issuer Cover Pool which falls within the meaning of a specific category of mortgages under the Financial Institutions Act exceeds the percentage applicable to such category of mortgages (as prescribed under the Financial Institutions Act) of the Property Value of the property securing such loan, only such applicable percentage of the Property Value will be counted towards the overall valuation of the Issuer Cover Pool,

provided that, for the purposes of this Condition 11, "**Value**" shall mean nominal par value and shall, at any time, exclude the nominal par value of each loan within the Issuer Cover Pool which is in arrears for 90 days or longer at such time, "**Property Value**" shall mean the most recent valuation of the relevant property on which the relevant loan is secured, and at no time shall the Issuer Cover Pool include asset-backed securities that do not comply with the requirements of paragraph 1 Article 80 of Guideline ECB/2014/60 of the European Central Bank;

(C) Interest Cover

the amounts receivable by the Issuer in respect of the Issuer Cover Pool and under the related derivative contracts entered into by the Issuer shall be at least equal to or exceed the amounts payable by the Issuer under the Covered Bonds and the related derivative contracts entered into by the Issuer;

(D) Interest Rate, Liquidity and Foreign Exchange Risks

the Issuer's interest rate, liquidity and foreign exchange risks shall be hedged or otherwise limited in accordance with the terms of the Financial Institutions Act;

(E) Valuations

save as expressly provided in this Condition 11, all valuations required under the Financial Institutions Act shall be made in compliance with the terms of the Financial Institutions Act;

(F) Register

a statutory register (the "**Statutory Register**") of the Covered Bonds and the Issuer Cover Pool shall be maintained by the Issuer in accordance with the terms of the Financial Institutions Regulation;

(G) No Encumbrance, etc.

assets in the Issuer Cover Pool shall not be pledged, or subject to execution, attachment or other enforcement proceedings in favour of particular creditors of the Issuer, or subject to a right of set-off, right of retention or the like; and

(H) Inspector

the independent inspector appointed under the Financial Institutions Act (the "**Inspector**") shall be (1) given all relevant information about the Issuer's business and such other further information as may be requested by the Inspector, (2) given full access to the Statutory Register, (3) facilitated to conduct investigations at the

Issuer's premises, and (4) paid reasonable remuneration by the Issuer, in each case, in accordance with the terms of the Financial Institutions Act.

All references to the Financial Institutions Act in this Condition 11 shall, unless the context requires otherwise, include the Regulations on financial institutions and financial groups of 9 December 2016 No. 1502 issued by the Ministry under the authority conferred on it by the Financial Institutions Act (the "**Financial Institutions Regulations**") and any other supplementary regulations laid down pursuant to the Financial Institutions Act (any and all such regulations, the "**Norwegian Supplementary Regulations**").

## **12 Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 7 (Prescription).

## **13 Notices**

All notices regarding the Covered Bonds (other than VP Systems Covered which are not cleared through VPS, VP or VPC and Swiss Domestic Covered Bonds) will be deemed to be validly given (i) if published in a leading English language daily newspaper of general circulation in London or (ii), in the case of Covered Bonds admitted to the Official List of Euronext Dublin, if published in a manner which complies with the rules and regulations of Euronext Dublin. It is expected that any such publication in a newspaper will be made in the *Financial Times* or any other daily newspaper in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange (or other relevant authority) on which the Covered Bonds are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Fiscal Agent shall approve.

Until such time as any definitive Covered Bonds are issued, so long as any Global Covered Bonds representing the Covered Bonds are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, as the case may be, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg as the case may be, for communication by them to the holders of the Covered Bonds and, in addition, for so long as any Covered Bonds are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Covered Bonds on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg, as the case may be.

Notices to be given by any holder of the Covered Bonds (other than VP Systems Covered Bonds and Swiss Domestic Covered Bonds) shall be in writing and given by lodging the same, together with the relative Covered Bond or Covered Bonds, with the Fiscal Agent. Whilst any of the Covered Bonds is represented by a global Covered Bond, such notice may be given by any holder of a Covered Bond to the Fiscal Agent and/or Registrar via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent and/or Registrar and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

All notices regarding Swiss Domestic Covered Bonds will, save where another means of effective communication has been specified in the applicable Final Terms, be deemed to be validly

given (i) if published in a leading daily newspaper with national circulation in Switzerland (which is expected to be the *Neue Zürcher Zeitung*), (ii) in the case of Swiss Domestic Covered Bonds represented by a Swiss Global Covered Bonds, if delivered to SIX SIS AG for communication by it to the persons shown in its records as having interests therein or (iii) in the case of Swiss Domestic Covered Bonds admitted to trading on the standard for bonds of the SIX Swiss Exchange, if published in electronic form on the internet website of the SIX Swiss Exchange ([www.six-swissexchange.com](http://www.six-swissexchange.com)) under the section headed “Official Notices” or otherwise in accordance with the regulations of the SIX Swiss Exchange. Provided that, in the case of Swiss Domestic Covered Bonds listed on any other stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the date of such delivery.

In the case of VP Systems Covered Bonds, notices shall be given in accordance with the procedures of VPS, VP, VPC or any other relevant clearing system (as the case may be).

## **14 Meetings of Covered Bondholders**

### **(a) *Holders of Bearer Covered Bonds and/or Registered Covered Bonds***

The Agency Agreement contains provisions for convening meetings of the Covered Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Covered Bonds, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer or the Covered Bondholders if required in writing by Covered Bondholders holding not less than 5 per cent. in nominal amount of the Covered Bonds for the time being remaining outstanding (as defined in the Agency Agreement). The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Covered Bonds for the time being outstanding (as defined in the Agency Agreement), or at any adjourned meeting one or more persons being or representing Covered Bondholders whatever the nominal amount of the Covered Bonds so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Covered Bonds or Coupons or the Agency Agreement (including modifying the date of maturity of the Covered Bonds or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Covered Bonds or altering the currency of payment of the Covered Bonds or Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Covered Bonds for the time being outstanding (as defined in the Agency Agreement), or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Covered Bonds for the time being outstanding (as defined in the Agency Agreement). An Extraordinary Resolution passed at any meeting of the Covered Bondholders shall be binding on all the Covered Bondholders, whether or not they are present at the meeting, and on all Couponholders.

### **(b) *Holders of VP Systems Covered Bonds***

The Agency Agreement contains provisions for convening meetings of the Covered Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the VP Systems Covered Bonds or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Covered Bondholders and shall be convened by the Issuer if required in writing by Covered Bondholders holding not less than 5 per cent. in nominal amount of the VP Systems Covered Bonds for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding a certificate (dated no earlier than 14 days prior to the meeting) from either VPS, VP, VPC or any other relevant clearing system (as the case may be) or a VP Systems Account Manager stating that the holder is entered into the records of VPS, VP, VPC or



any other relevant clearing system (as the case may be) as a Covered Bondholder or representing not less than 50 per cent. in nominal amount of the VP Systems Covered Bonds for the time being outstanding and providing an undertaking that no transfers or dealing have taken place or will take place in the relevant VP Systems Covered Bonds until the conclusion of the meeting, or at any adjourned meeting one or more persons being or representing Covered Bondholders whatever the nominal amount of the Covered Bonds so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VP Systems Covered Bonds or the Agency Agreement (including modifying the date of maturity of the VP Systems Covered Bonds or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VP Systems Covered Bonds or altering the currency of payment of the VP Systems Covered Bonds), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Covered Bonds for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Covered Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Covered Bondholders shall be binding on all the Covered Bondholders, whether or not they are present at the meeting.

For the purposes of a meeting of Covered Bondholders, the person named in the certificate from VPS, VP, VPC or any other relevant clearing system (as the case may be) or a VP Systems Account Manager described above shall be treated as the holder of the VP Systems Covered Bonds specified in such certificate provided that he has given an undertaking not to transfer the VP Systems Covered Bonds so specified (prior to the close of the meeting) and the Fiscal Agent shall be entitled to assume that any such undertaking is validly given, shall not enquire as to its validity and enforceability, shall not be obliged to enforce any such undertaking and shall be entitled to rely on the same.

## **15 Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Covered Bondholders or Couponholders to create and issue further covered bonds ("**Further Covered Bonds**") having terms and conditions the same as the Covered Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and the date which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds.

## **16 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Covered Bonds under the Contracts (Rights of Third Parties) Act 1999.

## **17 Governing law and submission to jurisdiction**

- (a) The Agency Agreement, the Covered Bonds and the Coupons and any non-contractual obligations arising out of or in connection with any of them shall be governed by, and construed in accordance with, English law except that the provisions of the Covered Bonds under Condition 2 and Condition 11 are governed by, and shall be construed in accordance with, Norwegian law. VP Systems Covered Bonds must comply with the relevant regulations and legislation (as amended from time to time) of VPS, VP or VPC (as the case may be) and the holders of VP Systems Covered Bonds will be entitled to the rights and are subject to the obligations and liabilities which arise under (i) the Norwegian Securities Depository Act of 15 March 2019 no. 6 and any related regulations and legislation, in the case of Covered Bonds registered in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and

Regulation (EU) No 236/2012) which, unless otherwise specified in the applicable Final Terms, will be VPS, (ii) the relevant regulations and legislation in Sweden, in the case of Covered Bonds registered at VPC, and (iii) the relevant regulations and legislation in Denmark, in the case of Covered Bonds registered at VP.

- (b) The Issuer agrees, for the exclusive benefit of the Paying Agents, the Covered Bondholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Covered Bonds and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Agency Agreement, the Covered Bonds and the Coupons may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer appoints DNB Bank ASA (London Branch) at its registered office for the time being at 20 St Dunstan’s Hill, London EC3R SHY as its agent for service of process, and undertakes that, in the event of DNB Bank ASA (London Branch) ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Fiscal Agent as its agent for service of process in England in respect of any Proceedings.

Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## DESCRIPTION OF CERTAIN NORWEGIAN LEGISLATION RELATING TO COVERED BONDS

The following presents certain features of Norwegian law governing the issuance of covered bonds in Norway at the date of this Base Prospectus. The following does not purport to be, and is not, a complete description of all aspects of the Norwegian legislative and regulatory framework pertaining to covered bonds.

As of the date of this Base Prospectus, the main legislation which governs covered bonds is Chapter 11, sub-chapter II of the Norwegian Act on financial institutions and financial groups of 10 April 2015 No.17 ("**Financial Institutions Act**") with appurtenant regulations issued by the Ministry of Finance (the "**Ministry**").

For the avoidance of doubt, references in this section to "covered bonds" are to covered bonds issued by a Credit Institution (as defined below) under any of its programmes and references in this section to "Cover Pool" are to a cover pool with respect to any such covered bonds.

### Financial Institutions Act

Under the Financial Institutions Act Section 11-7, certain Norwegian credit institutions whose articles of association comply with prescribed mandatory requirements, may issue covered bonds (*obligasjoner med fortrinnsrett*). A credit institution must hold a licence issued by the Ministry (or pursuant to delegation, the NFSA). According to the Financial Institutions Act Section 2-8 the license confers the right to receive repayable funds other than deposits from the public and to provide credit and furnish guarantees for its own account. However, a credit institution is not required to obtain any specific governmental licence or approval in order to issue covered bonds, but must notify the NFSA at least 30 days in advance before its first issuance of covered bonds. The Issuer is a credit institution as defined by the Financial Institutions Act, has received the required licence, has adapted its articles of association to meet the mandatory requirements and, consequently, may issue covered bonds.

The Financial Institutions Act Section 11-15 provides that holders of covered bonds (and also counterparties under derivatives contracts entered into for hedging purposes in relation to the covered bonds) have an exclusive and prioritised right of claim, on a *pari passu* basis between themselves and the counterparties under derivatives agreements relating to the covered bonds, over a pool of certain security assets.

Under Norwegian law, an issuer of bonds, such as an issuer of covered bonds, must register the bonds in electronic book entry form by registration in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) if the bonds are issued in Norway. If the bonds are issued outside Norway, and (a) if in NOK, they can only be subscribed for by entities not residing in Norway, or (b) if in a currency other than NOK, there is no requirement for VPS registration.

### Register requirements

According to the Financial Institutions Act Section 11-13, a Credit Institution must maintain a register of the covered bonds they issue and of the cover pool assigned thereto (the "**Statutory Register**"). The register shall at all times contain information on the value of the bonds and the cover pool. In accordance with the Financial Institutions Act, a Credit Institution may establish a separate Statutory Register for the issue of covered bonds relating to a different Cover Pool. If there is more than one Cover Pool, the Credit Institution must identify against which Cover Pool a covered bondholder will hold a preferential claim. Where a Credit Institution has made two or more issues of covered bonds which have a preferential claim against different Cover Pools, substitute assets shall be held in separate bank accounts for each Cover Pool. The Issuer has only one cover pool, which is used for the U.S. Programme and the Euro Programme.

Each Statutory Register must comply with requirements in the Financial Institutions Regulation Section 11-5 and at all times contain detailed information on, amongst other things, the nominal value of the covered bonds, the related derivatives agreements and the assets which constitute the Cover Pool. Consequently, any Statutory Register must be updated on a regular basis to include any changes in relevant information.

Such registration is not in itself conclusive evidence of the contents of the Cover Pool pertaining to the covered bonds, but shall, according to statements in the preparatory works to the Norwegian legislation concerning covered bonds, serve as strong evidence.

### **Benefit of a prioritised claim**

Pursuant to the Financial Institutions Act Section 11-15, if a Credit Institution is placed under public administration, the holders of covered bonds issued by the relevant Credit Institution (and also counterparties under derivatives contracts entered into for hedging purposes in relation to the covered bonds) have an exclusive, equal and *pro rata* prioritised claim over the Cover Pool pertaining to such covered bonds.

Credit Institutions are not subject to ordinary bankruptcy proceedings. Instead, Credit Institutions experiencing financial difficulties may be placed under public administration. The prioritised claims will rank ahead of all other claims, save for claims relating to the fees and expenses of an administrative board appointed under a public administration. According to the provisions of Section 6-4 of the Liens Act, a future administrative board of the Credit Institution will have a first priority lien over all of the assets included in the Cover Pool as security for fees and expenses incurred by the administrative board in connection with the administration of the Credit Institution, ranking ahead of the claims of holders of covered bonds and of the counterparties to the relevant derivatives agreements. Such liens will, however, be limited to 700 times the standard Norwegian court fee (NOK 1,172 at the date of this Base Prospectus, leading to a total maximum liens of NOK 820,400 as at the date of this Base Prospectus) in respect of each Cover Pool. Pursuant to the Financial Institutions Regulation, costs incurred by the administrative board in administering a Cover Pool may be recovered by the estate before holders of covered bonds receive payments from loans and receivables in the Cover Pool.

By virtue of the priority established by the Financial Institutions Act, claims of the holders of covered bonds and of the counterparties to the relevant derivatives agreements against a Credit Institution which has issued covered bonds will rank ahead of claims of all other creditors of the Credit Institution with respect to the Cover Pool pertaining to such covered bonds and derivative agreements (save for the priority described above granted to an administrative board in respect of costs, fees and expenses).

Pursuant to the Financial Institutions Act Section 11-10, loans and receivables included in a Cover Pool may not be pledged or be subject to any attachment or other enforcement proceeding or set off. However, an exemption to the prohibition against set-off has been made in relation to derivative agreements, as further described in the Financial Institutions Regulation Section 11-6.

### **Cover Pool – composition of assets**

Pursuant to the Financial Institutions Act Section 11-8, a Cover Pool may only consist of certain assets, which include loans secured by mortgages ("**Mortgages**") over certain classes of assets, such as real property and other registered assets (*realregistrerte formuesgoder*), loans granted to or guaranteed by certain governmental bodies ("**Government Loans**"), receivables in the form of certain derivatives agreements and certain supplemental assets.

The Mortgages may include residential mortgages, mortgages over other title documents relating to residences (together with the former, "**Residential Mortgages**") and mortgages over other real property ("**Other Property Mortgages**"). The real property and the registered assets which serve as security for the loans included in a Cover Pool must be located in a member state of either the European Economic Area ("**EEA**") or the Organisation for Economic Co-operation and Development

("OECD"), and the loan must be granted in the country where the property is located or, in relation to governmental loans, in the country where the borrower or the guarantor is domiciled.

Government Loans must be either guaranteed or issued by governmental bodies which, in addition to belonging to a member state of either the EEA or the OECD, must meet certain additional requirements under the Financial Institutions Regulation.

Supplemental assets may only consist of receivables of certain liquidity and credit quality, and are as a general rule subject to a limit of 20 per cent. of the total value of a Cover Pool, as described below. However, under certain circumstances, and for a limited period of time only, the NFSA may approve an increase in this limit to 30 per cent. of the total value of the Cover Pool. The supplemental assets must also meet certain risk category requirements under the Financial Institutions Regulation in order to be included among the assets which form the basis for the value calculation of the Cover Pool.

### **Loan-to-value ratios (and other restrictions)**

Pursuant to the Financial Institutions Regulation Section 11-4, when calculating the value of Cover Pool assets consisting of loans secured by Mortgages, the following loan-to-value requirements apply:

- (1) Loans secured by Residential Mortgages may not exceed 75 per cent. of the value of the property; and
- (2) Loans secured by Other Property Mortgages may not exceed 60 per cent. of the value of the property.

There is no restriction with regard to the proportion of a Cover Pool which may be represented by Residential Mortgages or Other Property Mortgages (although the Issuer Cover Pool will only include loans secured by Residential Mortgages, loans secured by mortgages over second homes and loans secured by mortgages over joint debt of housing cooperatives). According to the Financial Institutions Act, the value of substitute assets may not exceed 20 per cent. of the value of the Cover Pool (unless NFSA has approved to increase the percentage, see above). According to the Financial Institutions Regulation, the proportion of the Cover Pool represented by Government Loans and receivables in the form of derivatives agreements may vary, depending on the risk category pertaining to the relevant assets.

Additional provisions regarding quantitative and qualitative requirements placed on the assets forming part of a Cover Pool are set out in the Financial Institutions Regulation. In order to qualify for inclusion in a Cover Pool all legislative requirements must be met. If a Cover Pool asset ceases to meet the requirements of the Financial Institutions Act and/or the Financial Institutions Regulation in relation to ratios, risk categories or proportion limits after inclusion in the Cover Pool, such asset may continue to form part of the Cover Pool but will, to the extent it does not meet the relevant requirements, be excluded from the calculation (which is required by the Financial Institutions Act, as described below) of the value of the Cover Pool, unless the asset only ceases to meet a qualitative requirement or debt to asset ratio, then the value of the asset may be included in the calculations to the extent it meets the requirements.

### **Over-collateralisation and Valuations**

The Financial Institutions Act requires that the value of a Cover Pool at all times must exceed the aggregate value of the covered with a preferential claim over the relevant Cover Pool (taking into account the effects of relevant derivatives contracts).

The Ministry amended the Financial Institutions Regulation on 29 March 2017, and introduced a requirement to the effect that the value of a cover pool must be at least 102 per cent. of the value of the covered bonds which are secured by the cover pool (over-collateralisation).

The calculation of the value of Cover Pool assets consisting of loans secured by real property or other registered assets is required to be made on a prudent basis, and such prudent value may not

exceed the market value of each individual asset according to the Financial Institutions Act Section 11-9. The estimation of the value is required to be made by a competent and independent person (i.e., a person without involvement in the credit granting process) and be documented, and such documentation is required to include information on who performed the calculation and the principles on which the calculation was based. The value of residential property may, however, be based on generally applicable price levels, when this is considered justifiable based on the market situation. Defaulted loans shall be disregarded for purposes of the valuation.

### **Balance and liquidity requirements**

In order to ensure compliance with the above-mentioned requirement that the value of a cover pool must at least be 102 per. cent. of the value of the covered bonds which are secured by the cover pool, each credit Institution issuing covered bonds is required to establish systems for continued control of the development of the value of the Cover Pool assets, and to monitor the development of the relevant market situations. If developments in the market situation or in the situation pertaining to an individual asset so warrants, the Credit Institution is required to ensure that a renewed calculation of the value is performed.

Furthermore, the Financial Institutions Act Section 11-12 requires that the Credit Institution ensure that the cash flow from the Cover Pool at all times is sufficient to enable the Credit Institution to honour its payment obligations to the holders of covered bonds and counterparties under related derivatives agreements to which each Cover Pool relates. The Credit Institution must also establish a liquidity risk reserve to be included in the Cover Pool.

### **Inspector**

An independent inspector ("**Inspector**") must be appointed by the NFSA prior to a Credit Institution issuing any covered bonds according to the Financial Institutions Act Section 11-14. The Inspector is required to monitor the Statutory Register and shall, at least every three months, review compliance with the Financial Institutions Act's provisions relating to the Statutory Register, including those which govern the composition and the balance of a Cover Pool.

The Credit Institution is required to give the Inspector all relevant information pertaining to its business. The Inspector must be granted access to the Statutory Register and may also request additional information. The Inspector may perform inspections of the Credit Institution, and shall at least every three months determine whether the Credit Institution is in compliance with the requirements of Sections 11-11 and 11-13 of the Financial Institutions Act, which set out, amongst other things, the requirements that the value of a Cover Pool must exceed the aggregate value of the covered bonds to which it relates and that a register of covered bonds must be maintained. Furthermore, the Inspector shall submit annual reports of observations and assessments to the NFSA.

As of 28 May 2008, Ernst & Young was appointed by the NFSA as the Issuer's Inspector pursuant to Section 11-14 of the Financial Institutions Act.

### **Remedial regulatory measures**

Pursuant to the Financial Institutions Act Section 21-1, each of the managing director and the Board of Directors of the Issuer are under an obligation to notify the NFSA if there is reason to fear that (i) the Issuer may be unable to satisfy its commitments as they fall due (ii) the Issuer may be unable to meet the minimum capital adequacy requirements or other soundness or security requirements set out in law or regulation (including the Financial Institutions Act) or (iii) circumstances have arisen that may entail serious loss of confidence or losses which will substantially weaken or threaten the Issuer's financial position. On receipt of such notice, or if the NFSA has reason to believe that any of the circumstances above has occurred, the NFSA will, in collaboration with the Issuer, ascertain and impose the necessary measures to be taken to ensure continued operation.

## **Cover Pool administration in the event of public administration**

Credit Institutions experiencing financial difficulties may be placed under public administration, in the same way as Norwegian banks and insurance companies pursuant to the Financial Institutions Act Chapter 21. Public administration entails that the institution's former governing bodies are replaced by a public administration board (an "administrative board") which assumes control over the institution. The administrative board will attempt to either restructure the institution and continue its business, or in the absence of viable alternatives, liquidate the institution and distribute its assets to the creditors.

Public administration does not in itself give the right to accelerate claims. If a Credit Institution which has issued covered bonds is placed under public administration pursuant to the Financial Institutions Act, and the Cover Pool meets the requirements of the Financial Institutions Act and the Financial Institutions Regulation, the administrative board must, according to the Financial Institutions Act Section 11-15 ensure that, to the extent possible, the holders of covered bonds and counterparties to related derivatives agreements receive timely payment of their respective claims, such payments to be made from the Cover Pool for the duration of the public administration of the Credit Institution.

If the administrative board is unable to make timely payments to the covered bond holders or the counterparties to the related derivatives agreements, the administrative board must set a date for suspension of payments, and inform interested parties of this as soon as possible. If suspension of payments is initiated, further administration of the Credit Institution will be conducted in accordance with general Norwegian bankruptcy legislation. The claims of the covered bondholders and counterparties to related derivatives agreements, in respect of all series of covered bonds in issue, will continue to have a prioritised claim against the relevant Cover Pool.

## **Implementation of the EU Framework in Norwegian law**

As referred to above, on 13 January 2020, the NFSA released a consultation paper relating to the EU Framework. The Consultation Paper sets out proposals to amend the existing Norwegian covered bond legislation to comply with the EU Framework, which includes, *inter alia*, the following proposals:

- increased LTV requirements (from 75 per cent. to 80 per cent.);
- increased overcollateralisation requirement (from 102 to 105 per cent.);
- new liquidity buffer requirement (liquidity buffers shall cover maximum, cumulative net payments for 180 days);
- independent inspectors (independent inspector is required to be external state authorised public accountant (external auditor cannot fulfil the function));
- extension of maturity (according to the EU Framework, extension of maturity of Covered Bonds is only allowed if clear and objective criteria according to national law are fulfilled - in the Consultation Paper, the NSFA has not proposed an objective criteria, but has suggested that such terms are included in a future regulation); and
- soft bullets (soft bullets will not be permitted to count when calculating the liquidity reserves, which, if implemented in Norwegian law, will have a negative effect on the Issuer's liquidity costs).

The Consultation Paper does not indicate a timeline for implementation into Norwegian law.

## THE ISSUER COVER POOL

### Composition of assets

The Financial Institutions Act and Financial Institutions Regulation prescribes that the Cover Pool may only consist of certain assets, which include loans secured by various types of mortgages, and requires that loans secured by the Residential Mortgages in the Cover Pool do not exceed 75 per cent. of the value of the collateral security and that loans secured by other mortgages in the Cover Pool do not exceed 60 per cent. of the value of the collateral security. See *“Description of Certain Norwegian Legislation Relating to Covered Bonds”*. The Issuer Cover Pool primarily consists of Residential Mortgages, but also mortgages over second homes, mortgages over joint debt of housing cooperatives and receivables in the form of certain derivative agreements (hedging the interest rate and foreign currency risk in the Cover Pool) and amounts held by the Issuer on deposit with DNB Bank.

A substantial majority (83.2 per cent. as of 31 March 2020) of the Mortgage Loans in the Issuer Cover Pool consists of Mortgage Loans secured by privately owned dwellings. Mortgage Loans secured by dwellings owned by housing cooperatives (shares in housing cooperatives) account for most of the remaining part (13.6 per cent. as of 31 March 2020) of the Mortgage Loans in the Issuer Cover Pool. Furthermore, a small part of the Mortgage Loans in the Issuer Cover Pool (3.0 per cent. as of 31 March 2020) consists of Mortgage Loans collateralised by buildings owned by housing cooperatives (mortgages over joint debt of housing cooperatives). It is not expected that the proportion of joint debt of housing cooperatives will exceed 5 per cent. of the Issuer Cover Pool in the future. As from March 2011, the Issuer began to include loans secured by mortgages over second homes in the Issuer Cover Pool. As from January 2013, the Issuer is no longer including loans secured by second homes in the Cover Pool. As of 31 March 2020, these mortgage loans amounted to 0.2 per cent. of the Issuer Cover Pool. All properties securing Mortgage Loans in the Issuer Cover Pool are located in Norway.

The amount of derivative contracts in the Issuer Cover Pool fluctuates with market conditions. The amount on deposit with DNB Bank is modest and fluctuates with the Issuer's general business.

The Issuer covenants under the Terms and Conditions of the Covered Bonds that the Cover Pool maintained by the Issuer under the Financial Institutions Act will comply with the requirements of the Financial Institutions Act and will only include loans secured by Residential Mortgages, mortgages over second homes or mortgages over joint debt of housing cooperatives in addition to receivables in the form of certain derivatives agreements specified under the Financial Institutions Act and substitute assets (as defined under the Financial Institutions Act) (together the **“Issuer Cover Pool”**). All references to the Cover Pool under the Financial Institutions Act shall be construed as the Issuer Cover Pool with respect to the Issuer, the Programme, the Covered Bonds and any matters relating to the Issuer, the Programme and the Covered Bonds.

### Valuation of assets

The Financial Institutions Regulation requires that the value of the Cover Pool at all times must be at least 102 per. cent. of the value of the covered bonds which are secured by the Cover Pool (over-collateralisation). See *“Description of Certain Norwegian Legislation Relating to Covered Bonds – Over-collateralisation and Valuations”*. Furthermore, the Issuer covenants under the Terms and Conditions of the Covered Bonds that at any time, the nominal par value (the **“Value”**) of the loans in the Issuer Cover Pool (but excluding the nominal par value of each loan within the Issuer Cover Pool which is in arrears for 90 days or longer as well as that part of any mortgage that exceeds the relevant upper limit set forth in Norwegian legislation for the LTV for the respective type of Collateral) will not be less than 102 per cent. of the outstanding principal amount of all Covered Bonds issued under the Programme and any other mortgage covered bonds of the Issuer in issue at the relevant time.



## CERTAIN PROVISIONS OF KEY TRANSACTION DOCUMENTS

### Origination and Purchase of Mortgages

The Issuer originates new Mortgage Loans directly in its own name using DNB Bank's branch and retail network, and also purchases Mortgage Loans from DNB Bank and may purchase mortgages from other members of the DNB Group. Increasingly, Mortgage Loans for inclusion in the Issuer Cover Pool are originated by the Issuer itself. Norway has recently opened for electronic deed registration. This has caused some legal uncertainty regarding the legal protection in relation to future mortgage transfers from DNB Bank to the Issuer. Pending clarification of the legal uncertainties DNB Bank has temporarily stopped transfer of mortgages to the Issuer. Loans originated directly from the Issuer are not affected by the uncertainty. The Mortgage Loans originated or purchased by the Issuer for inclusion in the Issuer Cover Pool include loans secured (i) by Residential Mortgages (as defined by Norwegian legislation), (ii) by mortgages over second homes and (iii) by mortgages over joint debt of housing cooperatives.

Mortgage Loans purchased from DNB Bank are purchased under the Transfer Agreement (as defined below) and serviced by DNB Bank as described below. In the future, Mortgage Loans may be purchased from other members of the DNB Group under agreements entered into with those members for a consideration determined on a similar basis to that paid to DNB Bank under the Transfer Agreement (as defined below) and containing similar representations and warranties and would be serviced by either DNB Bank or the member of the DNB Group that sold the Mortgage Loans, in each case to a servicing standard similar to that in the Service Agreement (as defined below) although such service agreement would not contain certain functions, for example, an overdraft facility.

Mortgage Loans originated by the Issuer are serviced by DNB Bank as described below. In respect of these Mortgage Loans, DNB Bank makes representations and warranties as to the nature of the Mortgage Loans and security and manner of origination in the Service Agreement similar to the Warranties under the Transfer Agreement, as set out below.

### Transfer Agreement

#### *General*

Pursuant to the terms of a transfer agreement entered into by the Issuer (as "**purchaser**") and DNB Bank (as seller) on 18 December 2015 (the "**Transfer Agreement**"), the Seller has agreed to sell, and the Issuer has agreed to purchase Mortgage Loans.

All Mortgage Loans purchased by the Issuer and included in the Issuer Cover Pool (the "**Qualified Residential Mortgages**") must not exceed the specified percentage of the value of the mortgaged property (loan-to-value-ratio) and satisfy requirements in accordance with the Financing Legislation as specified in the section titled "*Certain Norwegian Legislation Relating to Covered Bonds*".

#### *Consideration*

The consideration payable in respect of Qualified Residential Mortgages purchased by the Issuer amounts to the total principal sum of the Qualified Residential Mortgages being transferred (the "**Transferred Mortgages**") on the relevant transfer date plus total accrued interest in respect of the Transferred Mortgages for the period up until the transfer of the Transferred Mortgages is completed. In accordance with Norwegian legislation, the Transferred Mortgages are transferred at fair value. Therefore, the amount payable may vary slightly from the total principal amount plus total accrued interest.

The consideration payable in respect of the Qualified Residential Mortgages purchased by the Issuer prior to the first issue by the Issuer of covered bonds was funded by the Seller (as defined below) in the form of equity, subordinated loans and an overdraft facility advanced by the Seller (the "**Overdraft Facility**", which is part of the Service Agreement). As of 31 March 2020, the Issuer had drawn NOK 91.175 billion of the NOK 130 billion Overdraft Facility. For a further description of the

Overdraft Facility, see “*Service Agreement*”. In the event of the Issuer’s compulsory liquidation, entry by the Issuer into a voluntary arrangement or other such agreement with its creditors or otherwise in connection with the Issuer’s liquidation, claims by the Seller for any amounts payable in respect of the Overdraft Facility shall be subordinate to the claims of the Covered Bondholders.

#### *Registration and Transfer of Legal Title*

The transfer and assignment of each Qualified Residential Mortgage purchased by the Issuer shall be effected by the relevant Qualified Residential Mortgage being entered into the Issuer’s register of assets held within the Cover Pool in accordance with the Financing Legislation (the “**Statutory Register**”), entered into the Issuer’s accounts and deregistered in the loan register and accounts of the Seller.

If the Issuer has originated the Qualified Residential Mortgage itself, the loan will on origination be included in the Statutory Register.

The Seller shall notify each borrower under the Transferred Mortgages, in writing, of the transfer to the Issuer at its earliest convenience following the transfer (the “**Transfer Notices**”).

#### *Representations and Warranties*

The Issuer has not made (nor will it make) any of the investigations which a prudent purchaser would normally make in relation to the acquisition of secured loans. In addition, the Issuer has not made (nor will it make) any investigations as to whether (i) the Transferred Mortgages are advanced in accordance with the relevant legislation; or (ii) the secured loans are validly established with the necessary legal protection; or (iii) the secured loans can be subject to legal measures if a borrower under a Qualifying Loan defaults on its obligations.

In relation to the Transferred Mortgages and their collateral security, the Issuer will rely entirely on the representations and warranties (each a “**Warranty**” and together the “**Warranties**”) given by DNB Bank or the relevant member of the DNB Group acting as seller (each a “**Seller**”) to the Issuer. The Warranties given by the Seller under the Transfer Agreement are that:

- (a) The Seller has all creditor rights to each of the loans and these rights are included in the transfer of the loans to the Issuer. The Seller confirms that none of the loans are encumbered with transfer restrictions;
- (b) All of the loans secured by collateral are validly established and binding on the borrowers and the guarantors in question. The loans and the collateral may be enforced in accordance with the terms of both the debt certificates and the collateral documents;
- (c) All collateral documents cover repayments of the respective loans’ principal sums, interest, costs and expenses;
- (d) All necessary registrations are complete, or will be complete as soon as new loans have been established, to secure the Issuer’s legal remedy with respect to the loans secured by collateral, The Seller will also ensure that necessary notifications are and/or will be given to the individual borrowers about the Issuer’s acquisition of the secured loans;
- (e) All requirements stipulated in the Financing Legislation whereby loans can be deemed to be Qualified Residential Mortgages are fulfilled on the transfer date, and all collateral which the Seller shall introduce into the Issuer’s Cover Pool will be introduced there in accordance with the Financing Legislation as soon as possible; and
- (f) The individual transferred loan agreements will not obligate the Issuer to grant additional loans to any of the borrowers.

The Seller will immediately inform the Issuer in the event that one or more of the above-mentioned Warranties is breached.

The Issuer and the Seller each represent and warrant that each loan has been and will be transferred and assigned in accordance with the Act on Financial Contracts of Financial Assignment (No. 46 of 25 June 1999) and all other applicable laws.

#### *Repurchase by the Seller on Breach of Warranty*

If there is a breach of any Warranty given by the Seller, as determined conclusively by the courts, the Seller shall be required to repurchase the relevant secured loan immediately from the Issuer for a consideration equal to the then remaining principal sum of the relevant Mortgage Loan plus any accrued interest for the period until the relevant loan is transferred to the Seller. The Seller shall also be required to refund any costs incurred by the Issuer as a result of such repurchase.

#### *Governing Law*

The Transfer Agreement is governed by Norwegian Law.

#### **Service Agreement**

Pursuant to the terms of a service and management agreement entered into between the Issuer and DNB Bank as servicer (the “**Servicer**”) on 18 December 2015 (as amended or supplemented from time to time, and which replaced the service agreement entered into on 19 December 2014, the “**Service Agreement**”), the Servicer has agreed to, amongst other things, (i) carry out the marketing, sales and distribution of mortgages on behalf of the Issuer; (ii) manage the Issuer Cover Pool with respect to mortgages the Issuer has directly originated and mortgages the Issuer has purchased from DNB Bank and (iii) provide an overdraft facility to the Issuer of, as of 31 March 2020, an amount up to NOK 130 billion (of which NOK 91.175 billion had been drawn as of 31 March 2020). Any mortgages not originated by the Issuer or purchased from DNB Bank are to be serviced by either DNB Bank or the member of the DNB Group that sold the mortgage, in each case to a servicing standard similar to that in the Service Agreement, as set out below, although such service agreement would not contain certain functions such as, for example, an overdraft facility.

#### *Marketing, Sale and Distribution of Mortgages*

As a part of its duties under the Service Agreement, the Servicer has agreed to undertake the marketing, sales and distribution of mortgages on behalf of the Issuer (including product development, granting credit lines, issuing documents, concluding loan agreements and agreements for furnishing security and establishing any necessary legal protection).

#### *Servicing of the Loans*

The Servicer has agreed to manage the Issuer Cover Pool in a prudent manner, in accordance with the terms of the Service Agreement and the Financing Legislation, other relevant legislation (which includes but is not limited to capital requirement rules based on internal measurements, legislation regarding the use of information and communication technology and personal data legislation) and the duty to act honestly, fairly and professionally and in the best interests of the Issuer. The Servicer's role includes, but is not limited to, the following tasks:

- (a) providing assistance to the Issuer in obtaining all relevant approvals, permits, consents and licences required for its operation;
- (b) monitoring the size of the Issuer Cover Pool to ensure that it comprises only assets which meet the eligibility criteria in the Financing Legislation;
- (c) monitoring the loan-to-value ratio of mortgages to ensure that this does not exceed 75 per cent. in the case of loans secured by Residential Mortgages or 60 per cent. in the case of loans secured by mortgages over second homes and mortgages over joint debt of housing cooperatives, when the mortgages are included in the Issuer Cover Pool;
- (d) monitoring the Issuer Cover Pool to ensure that the requirements set out in the Financing Legislation relating to, amongst other things, location, risk and classification are complied with at all times;

- (e) monitoring the over-collateralisation and maturity of the assets in the Issuer Cover Pool to ensure that the value of the Issuer Cover Pool at all times exceeds the value of the Covered Bonds, and that the interest returns from the Issuer Cover Pool at all times exceed the sum of the costs linked with the Covered Bonds, taking into account the cash flows from the interest rate and currency swaps concluded;
- (f) providing regular reports to demonstrate to the Issuer compliance with the Financing Legislation;
- (g) establishing and maintaining registers showing records of all mortgages, derivative contracts, substitute collateral assets and covered bonds owned or issued by the Issuer, specifying such details as are required by the Financial Institutions Act (and allowing access to such registers to the Issuer, the Issuer's auditors and the Inspector appointed in respect of the Covered Bonds); and
- (h) administering and maintaining the accounts of the Issuer separately from those of the Servicer.

#### *Collection and Enforcement Procedures*

The Servicer will, on behalf of the Issuer, send out instalment payment notices in accordance with the procedures that apply for DNB Bank's own loans and that are otherwise employed by an ordinary, prudent credit institution.

The Servicer has also agreed to comply with similar procedures in respect of sending payment reminders if the loan is in arrears, debt recovery and taking any legal steps to protect the Issuer's interests in defaulted mortgages and the collateral security, or the Issuer's interest in other parts of the Issuer Cover Pool. The Servicer will keep the Issuer continuously informed of which loans are in default and what steps are being taken in respect of such defaulting loans. The Servicer will also ensure that any sums recovered on behalf of the Issuer are credited to the defaulted loan account directly or within two working days of such sum being recovered by the Servicer.

#### *Fees*

Under the Service Agreement, DNB Bank as Servicer is authorised to set prices for borrowers (both interest rates and charges) on all Mortgage Loans covered by the Service Agreement. The Issuer is to retain a minimum level of earnings on all Mortgage Loans encompassed by the Service Agreement to cover costs and return on equity ("**Minimum Earnings**", as described below). Net interest and commission income in excess of the Minimum Earnings on the same Mortgage Loans is to accrue to DNB Bank and constitute the fee payable to DNB Bank under the Service Agreement.

The Minimum Earnings shall cover:

- (a) operating expenses according to the current budget;
- (b) normalised losses on each budget date (calculated by using the DNB Group's IRB models for the type of mortgage portfolio held by the Issuer);
- (c) a return on allocated capital in accordance with the required rate of return (cost of capital) related to the Mortgage Loans, as set by the DNB Group; and
- (d) calculated interest on surplus capital according to budget (equity in excess of allocated capital), corresponding to the average internal transfer rate (the ordinary internal transfer rate set by DNB Group Treasury in Group Finance) for the relevant settlement period shall be deducted.

If DNB Bank sets prices for customers which are not sufficient to cover the Minimum Earnings to be retained by the Issuer, DNB Bank is required to pay the differential to the Issuer (a "negative" portfolio commission).

### *Duty of Confidentiality*

The Servicer, and all officers and employees of the Servicer, have a duty of confidentiality pursuant to the Financial Institutions Act Section 16-2. The Servicer will effect the necessary measures to prevent unauthorised and illegal use of personal data and to prevent accidental loss or destruction of such information.

### *Termination and Cancellation of the Service Agreement*

The Issuer may terminate the appointment of the Servicer with immediate effect by letter to the Servicer (and a copy to any relevant rating agency) in the event that:

- (a) the Servicer is in default of its payment obligations towards the Issuer under the Service Agreement and such breach continues for at least seven days after the Issuer has notified the Servicer of the defaulted payments or the Servicer itself has become aware of the default;
- (b) the Servicer is in default of other obligations under the Service Agreement and the Inspector or the NFSA is of the opinion that the default is material relative to the holders of Covered Bonds and such default continues for a period of 14 days after the Servicer has been given written notice of the default, demanding that it be remedied, or the Servicer itself has become aware of the default;
- (c) the Servicer is placed under public administration;
- (d) it becomes illegal for the Servicer to perform all or a major portion of its obligations under the Service Agreement; or
- (e) it becomes impossible for the Servicer to fulfil its obligations as set out in other agreements, hereunder but not limited to, borrowing programmes, ISDA/CSA or the Rider, bank accounts/cash management agreement etc.

In addition, subject to the fulfilment of certain conditions including, without limitation, that a Substitute Servicer satisfactory to the Issuer be appointed by the Issuer, the Servicer may voluntarily resign by giving not less than 12 months' notice of termination to the Issuer.

### *Appointment of a Substitute Servicer*

In circumstances where its appointment is terminated, the Servicer will:

- (a) ensure that all computer files relating to the managed Mortgage Loans with their collateral, accounts, papers, registers, correspondence and other documents possessed by the Servicer on behalf of the Issuer, are delivered immediately to the Issuer or the Issuer's authorised representative;
- (b) ensure that all monies and other assets held on behalf of the Issuer are delivered to the Issuer or the Issuer's authorised representative;
- (c) perform such other acts as are reasonably requested by the Issuer so that a transition to the Substitute Servicer (as defined in the Service Agreement) may take place in the best possible manner;
- (d) co-operate with and assist the Issuer and the Substitute Servicer (as defined in the Service Agreement) to ensure an effective transfer of the Servicer function (including ensuring that payments from borrowers are paid into the new accounts); and
- (e) notify public authorities, insurance companies, borrowers and all relevant third parties of the change of Servicer.

### *Overdraft Facility*

The Issuer has a committed overdraft facility with the Servicer (the "**Overdraft Facility**"). The limit of the Overdraft Facility is, as of 31 March 2020, NOK 130 billion and, as of 31 March 2020, the drawn amount was NOK 91.175 billion.

The Overdraft Facility is an integrated part of the Service Agreement between the Issuer and DNB Bank. The Service Agreement and, therefore, the Overdraft Facility, may only be terminated by the Servicer with the consent of the Issuer, subject always to the right of DNB Bank to resign as Servicer as described above.

Initially, apart from providing working capital to enable the Issuer to meet its daily ordinary business expenses, the main function of the Facility was to finance the Issuer's purchases of Mortgage Loans from DNB Bank. The build-up of the Issuer Cover Pool of these Mortgage Loans was very rapid and had to be financed by unsecured debt until the Issuer could issue covered bonds in the capital markets. Neither the domestic nor the European covered bond markets had the capacity to provide the necessary funding for this rapid increase in the Issuer Cover Pool.

Increasingly, purchases of Mortgage Loans from the Seller have been phased out. Instead, eligible Mortgage Loans are originated directly by the Issuer through the Servicer's branch network and the Servicer's employees acting on behalf of the Issuer. Still, the origination of new Mortgage Loans requires temporary unsecured debt financing in order to run smoothly.

In addition, a major reason for the Issuer having recourse to unsecured debt from DNB Bank relates to the over-collateralisation percentage of the Issuer Cover Pool necessary to support a rating of the Covered Bonds in line with the Issuer's strategy. Unsecured debt finances over-collateralisation of the Issuer Cover Pool and such debt does not form part of the statutory covered bond priority arrangements. As at 31 March 2020, the nominal over-collateralisation of the Issuer Cover was 28.6 per cent., a level which is significantly higher than that required by the rating agencies.

#### *Governing Law*

The Service Agreement is governed by Norwegian Law.

#### **Derivative Contracts**

##### *General*

The Financial Institutions Act Section 11-8 allows for the inclusion of derivative contracts in the Cover Pool pursuant to further requirements set out in the Financial Institutions Regulation. Such derivative contracts can only be entered into in order to ensure compliance with the asset coverage requirement (Financial Institutions Act Section 11-11) and to ensure the Issuer meet their payment obligations ensure compliance with assets coverage requirements (Financial Institutions Act Section 11-11) and to ensure that the Issuer meets its payment obligations and may be taken into account in the assessment of the financial ratios and requirements of the Financial Institutions Act.

Pursuant to the requirements of the Financial Institutions Act Section 11-3, any such derivative contract can only be entered into with a counterparty which is: (i) a clearing house established in the EEA or the OECD area; (ii) a state or central bank in the EEA or OECD area; or (iii) a credit institution established in the EEA or OECD area. Each counterparty must comply with the credit rating requirements applicable to it, as set out in the Financial Institutions Act.

In addition, pursuant to the Financial Institutions Regulation, derivative contracts must be allocated to the Cover Pool and the corresponding covered bonds to which they relate. The Statutory Register must, in relation to each derivative contract, set out information relating to: (i) the name, identity and company number of the swap counterparty and its most recent rating; (ii) the address of the swap counterparty; (iii) the original and the remaining amounts owed under the derivative contract; (iv) the payment structure and the cash flow set out in the derivative contract; (v) the identity and address of any owner of collateral provided in respect of the derivative contact and (vi) any other claims the Issuer may have against the owner of such collateral.

The European Markets Infrastructure Regulation ("**EMIR**") (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 imposes requirements on all types and sizes of entities that enter into any form of derivative contract. EMIR also establishes common organisational, conduct of business and prudential standards for central counterparties (CCPs) and trade repositories.

EMIR requires entities that enter into any form of derivative contract, including interest rate, foreign exchange, equity, credit and commodity derivatives, to:

- (i) report every derivative contract that they enter into to a trade repository;
- (ii) implement new risk management standards, including operational processes and margining, for all bilateral over-the-counter (OTC) derivatives i.e. trades that are not cleared by a CCP; and
- (iii) clear, via a CCP, those OTC derivatives subject to a mandatory clearing obligation.

The EMIR requirements entered into force in Norway on 1 July 2017, except for the Level 2 requirements that entered into force on 1 January 2019. The DNB group has been granted exemption from clearing obligation for intragroup transactions under article 4(2) of EMIR, which implies that derivative transactions between DNB Bank and the Issuer are exempted from clearing.

### *Currency Swaps*

If a particular Tranche of Covered Bonds is issued in a denomination other than NOK, the Issuer will enter into a currency swap by executing an ISDA Master Agreement (including a schedule, confirmations and credit support annex) (each such agreement a “**Currency Swap Agreement**” and each of the transactions thereunder, a “**Currency Swap**”) with a currency swap provider (a “**Currency Swap Provider**”), for the purpose of hedging any currency exchange risk. As at the date of this Base Prospectus, DNB Bank is the Currency Swap Provider under all Currency Swaps and-, as such, all the Currency Swaps may be entered into under the same ISDA Master Agreement. A credit support annex has been put in place ensuring that DNB Bank will post collateral in the case of a downgrade below certain levels. In such a case, right and title of the collateral will be transferred to the Issuer.

Under the terms of the Currency Swap Agreement, in the event that the relevant rating of the Currency Swap Provider or any guarantor of the Currency Swap Provider's obligations is downgraded by Moody's and/or Standard and Poor's (each a “**Rating Agency**” and together the “**Rating Agencies**”) below the rating specified in the Currency Swap Agreement (in accordance with the Rating Agencies' criteria) for the Currency Swap Provider or any guarantor of the Currency Swap Provider's obligations, the Currency Swap Provider will, in accordance with the Currency Swap Agreement, be required to take certain remedial measures which may include posting collateral for its obligations under the Currency Swap, arranging for its obligations under the Currency Swap to be transferred to an entity with ratings required by the relevant Rating Agency, procuring another entity with the ratings required by the relevant Rating Agency to become co-obligor or guarantor in respect of its obligations under the Currency Swap, or taking such other action (as confirmed by the relevant Rating Agency) as will result in the rating of the Covered Bonds then outstanding following the taking of such action being maintained at, or restored to, the level at which it was immediately prior to such downgrade. Any failure to take such steps will allow the Issuer to terminate the Currency Swap Agreement.

The Currency Swap Agreement may also be terminated in certain other circumstances, including (without limitation) pursuant to any other events of default and termination events set out in the Currency Swap Agreement (each referred to as a “**Currency Swap Early Termination Event**”), including:

- (a) at the option of any party to the Currency Swap Agreement, if there is a failure by the other party to make timely payments of any amounts due under the Currency Swap Agreement; and
- (b) upon the occurrence of the insolvency of the Currency Swap Provider or any guarantor of the Currency Swap Provider's obligations.

Upon the termination of the Currency Swap pursuant to a Currency Swap Early Termination Event, the Issuer or the Currency Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Currency Swap Agreement.

The Currency Swap Agreement is (and each Currency Swap thereunder will be) governed by English law.

The Issuer may decide to introduce deferral of payment mechanics into its currency swaps at some point in the future. Should the Issuer introduce deferral of payment mechanics into the currency swaps, if the substitute assets available to the Issuer on a payment date are insufficient to make the payment ordinarily required in full, the payment obligations of both the Issuer and the swap counterparty on that payment date will be reduced accordingly and will be deferred.

#### *Interest Rate Swaps*

To provide a hedge against the variance between the rates of interest payable on the assets in the Issuer Cover Pool and the rate of interest payable by the Issuer in respect of a Tranche of Covered Bonds, the Issuer may also enter into an interest rate swap by executing an ISDA Master Agreement (including a schedule, confirmations and credit support annex) (each such agreement an **"Interest Rate Swap Agreement"** and each of the transactions thereunder, an **"Interest Rate Swap"**) with an interest rate swap provider (an **"Interest Rate Swap Provider"**). As at the date of this Base Prospectus, DNB Bank is the Interest Rate Swap Provider under all Interest Rate Swaps and, as such, all the Interest Rate Swaps may be entered into under the same ISDA Master Agreement. A credit support annex has been put in place ensuring that DNB Bank will post collateral in the case of a downgrade below certain levels. In such a case, right and title of the collateral will be transferred to the Issuer.

Under the terms of the Interest Rate Swap Agreement, in the event that the relevant rating of the Interest Rate Swap Provider or any guarantor of the Interest Rate Swap Provider's obligations is downgraded by a Rating Agency below the rating specified in the Interest Rate Swap Agreement (in accordance with the Rating Agencies' criteria) for the Interest Rate Swap Provider or any guarantor of the Interest Rate Swap Provider's obligations, the Interest Rate Swap Provider will, in accordance with the Interest Rate Swap Agreement, be required to take certain remedial measures which may include posting collateral for its obligations under the Interest Rate Swap, arranging for its obligations under the Interest Rate Swap to be transferred to an entity with ratings required by the relevant Rating Agency, procuring another entity with the ratings required by the relevant Rating Agency to become co-obligor or guarantor in respect of its obligations under the Interest Rate Swap, or taking such other action (as confirmed by the relevant Rating Agency) as will result in the rating of the Covered Bonds then outstanding following the taking of such action being maintained at, or restored to, the level at which it was immediately prior to such ratings downgrade. Any failure to take such steps will allow the Issuer to terminate the Interest Rate Swap Agreement.

The Interest Rate Swap Agreement may also be terminated in certain other circumstances, including (without limitation) pursuant to any other events of default and termination events set out in the Interest Rate Swap Agreement (each referred to as an **"Interest Rate Swap Early Termination Event"**), including:

- (a) at the option of any party to the Interest Rate Swap Agreement, if there is a failure by the other party to make timely payments of any amounts due under the Interest Rate Swap Agreement; and
- (b) upon the occurrence of the insolvency of the Interest Rate Swap Provider or any guarantor of the Interest Rate Swap Provider's obligations.

Upon the termination of the Interest Rate Swap pursuant to an Interest Rate Swap Early Termination Event, the Issuer or the Interest Rate Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Interest Rate Swap Agreement.

The Interest Rate Swap Agreement is (and each Interest Rate Swap thereunder will be) governed by English law.

The Issuer may decide to introduce deferral of payment mechanics into its interest rate swaps at some point in the future.



Should the Issuer introduce deferral of payment mechanics into the interest rate swaps, if the substitute assets available to the Issuer on a payment date are insufficient to make the payment ordinarily required in full, the payment obligations of both the Issuer and the swap counterparty on that payment date will be reduced accordingly and will be deferred.

*Restrictions on Use of Derivative Contracts*

The Issuer uses derivatives, including the swaps described above, strictly for hedging purposes, and these derivatives are designated as hedging instruments. Derivatives are not used in trading activities or for speculative purposes.

Interest rate risk is governed by Section 11-1 of the Financial Institutions Regulation and liquidity risk by Section 11-2 of the Financial Institutions Regulation.

In addition, the Issuer complies with restrictions on currency-related derivative activities under the Financial Institutions Act. In respect of assets within the Issuer Cover Pool, the Issuer complies with the currency matching requirements set out in the Financial Institutions Act and provisions applicable to cover assets derivative contracts.

## USE OF PROCEEDS

The net proceeds from each issue of Covered Bonds will be applied by the Issuer for its general corporate purposes, which may include a repayment of part of amounts outstanding under the overdraft facility from DNB Bank. In addition, where the “*Reasons for the Offer*” in Part B of the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) are stated to be for “green” purposes as described in this “*Use of Proceeds*” section (the “**Green Covered Bonds**”), the net proceeds from each such issue of Green Covered Bonds will be used as so described. If specified otherwise in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement), the net proceeds from the issue of the relevant Covered Bonds will be used as so specified.

The Issuer intends to allocate the net proceeds of the Green Covered Bonds to a loan portfolio of new and existing mortgages for energy efficient residential buildings in Norway (the “**Eligible Residential Green Buildings**”). The eligible loans are to be funded in whole or in part by an allocation of the bond proceeds (the “**Eligible Green Loans**”).

The Issuer has relied on the support of an external green real estate consultant Multiconsult ASA to define the associated eligibility criteria which are further described in the Issuer’s Green Covered Bond Framework (May 2018) published on its website (<https://www.ir.dnb.no/funding-and-rating/green-covered-bonds>) (including as amended, supplemented, restated or otherwise updated on such website from time to time, the “**Green Covered Bond Framework**”).

The Issuer will select and track the Eligible Green Loans using information from the official Land Register. The information is received from third-party Eiendomsverdi, which is an entity that supports the reporting of mortgage cover pool data for a large number of Norwegian covered bond issuers. Loans secured by mortgages on Eligible Residential Green Buildings are selected as Eligible Green Loans.

The Issuer will be responsible for identification and record keeping of new and existing mortgages that meet the eligibility criteria. A green mortgage register of Eligible Green Loans will be kept by the Issuer and it will select from the register the Eligible Green Loans available for Green Covered Bond funding.

Eligible Green Loans will be included in DNB Boligkreditt’s cover pool along with other mortgage loans that are not Eligible Green Loans. Consequently, prospective investors in the Green Covered Bonds will have a claim against the entire cover pool without a preferential claim on the Eligible Green Loans over and above other investors, and all Green Covered Bonds will from time to time rank *pari passu* with each other and with any other Covered Bonds which may have been issued by the Issuer.

The Issuer takes care that all selected Eligible Green Loans comply with official national standards and local laws and regulations. It is part of the general transaction approval process within DNB to ensure that all activities comply with internal environmental and social standards.

The Green Covered Bonds net proceeds will be managed by the Issuer in a portfolio approach. The Issuer intends to allocate the proceeds from the Green Covered Bonds to a portfolio of loans that meet the use of proceeds eligibility criteria and in accordance with the evaluation and selection process presented above and in the Green Covered Bond Framework (the “**Eligible Green Loan Portfolio**”).

The Issuer intends to designate sufficient Eligible Green Loans in the Eligible Green Loan Portfolio to ensure that the size of the Eligible Green Loan Portfolio always exceeds the total balance of all outstanding Green Covered Bonds. When necessary, additional Eligible Green loans will be added to the Eligible Green Loan Portfolio to ensure the sufficient and timely allocation of the incremental net proceeds.

During the life of the Green Covered Bonds, and upon becoming aware, if a loan ceases to fulfil the eligibility criteria, the Issuer will remove the loan from the Eligible Green Loan Portfolio and replace it, when necessary, as soon as reasonably practicable.

The Issuer will hold or invest any unallocated Green Covered Bond net proceeds, at its own discretion, in its liquidity portfolio in money market instruments.

The Issuer aims to align the reporting with the portfolio approach described in "Green Bonds - working towards a Harmonized Framework for Impact Reporting (December 2015)" (<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/20151202-0530-FINALRevised-Proposal2.pdf>). The reporting is based on the Eligible Green Loan Portfolio and numbers will be aggregated for all Green Covered Bonds outstanding.

The Issuer intends to report to investors within one year from the date of a Green Bond transaction and annually thereafter, until the proceeds have been fully allocated (the "**Allocation Report**") and it has appointed a specialised green real estate consultant Multiconsult ASA to develop a methodology for impact estimation and calculation (the "**Impact Report**"). Both the Allocation Report and the Impact Report will be made available on the DNB website.

The Issuer will obtain an independent second party opinion from Sustainalytics to confirm the validity of the Green Covered Bond Framework. The independent second party opinion will be published on the DNB website.

In addition, the Issuer may request on an annual basis, starting one year after issuance and until maturity (or until full allocation), a limited assurance report of the allocation of the bond proceeds to eligible assets, provided by its external auditor.

Furthermore, the Issuer has the intention to obtain an accreditation certificate from Climate Bonds Initiative ("**CBI**") for the envisaged green bond with the Green Covered Bond Framework being aligned with CBI's baseline for the Norwegian Low Carbon Residential Buildings (<https://www.climatebonds.net/standard/buildings/residential>).

Neither the Green Covered Bond Framework, nor any of the above reports, verification assessments or contents of any of the above websites are incorporated in or form part of this Base Prospectus.

## DESCRIPTION OF THE ISSUER

The Issuer is a limited company incorporated under the laws of the Kingdom of Norway and was originally established in Norway as a finance company on 14 June 2003 with registration number 985 621 551. The Issuer's visiting and registered address is Dronning Eufemias gate 30, N-0191 Oslo, Norway, and its mailing address is Postboks 1600 Sentrum, N-0021 Oslo, Norway. The telephone number of the Issuer is (+47) 915 04800. The Issuer was formerly known as DnB NOR Boligkreditt AS and changed its name to DNB Boligkreditt AS in November 2011.

The Issuer issues covered bonds under the U.S. Programme (see below) and the Euro Programme. The Issuer is a wholly-owned subsidiary of DNB Bank and is reported as part of the Personal Banking Norway business area in the DNB Group's consolidated accounts. The Issuer is an important funding vehicle for the DNB Group. Pursuant to article 1 of its articles of association, the main object of the Issuer is to originate and acquire loans secured by Residential Mortgages, loans secured by mortgages over second homes and loans secured by mortgages over joint debt of housing cooperatives. The NFSA granted the Issuer a licence to operate as a finance company on 11 August 2005, and licensed it to become a Mortgage Credit Institution on 9 May 2007. The Issuer operates under the Financial Institutions Act. For further information on the regulatory environment in which the Issuer operates, see "*Description of Certain Norwegian Legislation relating to Covered Bonds*".

### Operations

As of the date of this Base Prospectus, the Issuer has six full time employees. The main task of the staff is to administer and monitor the Issuer Cover Pool, ensuring that the Issuer Cover Pool is at all times compliant with all the requirements of Norwegian covered bond legislation and the rating agencies. In addition, the staff administers the Service Agreement with DNB Bank and performs certain compliance and anti-money laundering tasks. The staff completes financial reporting, risk reporting and analysis on the Issuer as well as provides reports to, and communicates with, the rating agencies. All other activities, including origination paperwork relating to all residential mortgages originated or purchased by the Issuer and all other lending operations, are performed by DNB Bank pursuant to the Service Agreement, as more fully described under "*Certain Provisions of Key Transaction Documents – Service Agreement*" above.

Since August 2005, the Issuer has acquired Mortgage Loan portfolios from DNB Bank at fair value (as agreed between DNB Bank and the Issuer). In addition, as the size of the Issuer Cover Pool has increased, the Issuer has increasingly originated, and continues to increasingly originate, Mortgage Loans directly in its own name using DNB Bank's distribution channels and origination services. As at 31 March 2020, the Issuer had a Mortgage Loan portfolio with a nominal value of NOK 656 billion. This portfolio is financed (i) by the Issuer through issuances of Covered Bonds, and (ii) by DNB Bank through subordinated loan capital and equity as well as through unsecured senior debt that does not benefit from statutory priority over the Issuer Cover Pool.

On 18 December 2015, the Issuer and DNB Bank entered into the Transfer Agreement to replace the sale agreements entered into on 16 February 2011. Since 31 December 2010, the Issuer has acquired Mortgage Loans exclusively from companies within the DNB Group (although the Issuer is permitted to acquire Mortgage Loans from other entities if it enters into new sale and purchase agreements with such entities). The Transfer Agreement is further described under "*Certain Provisions of Key Transaction Documents – Transfer Agreement*".

### Separate U.S. covered bond programme

In addition to the Programme, the Issuer has a U.S. \$12,000,000,000 covered bond programme (the "**U.S. Programme**") pursuant to which it has issued, and may further issue, covered bonds denominated in any currency. Covered bonds issued under the U.S. Programme have been admitted to trading on the Regulated Market of Euronext Dublin and are listed on the Official List. Under the terms of the U.S. Programme, the Issuer will issue Covered Bonds to the Covered Bondholders on each Issue Date. The Covered Bonds will be unsubordinated obligations of the Issuer

and rank *pari passu* among themselves and with all other obligations of the Issuer that have been provided the same priority as debt instruments issued in accordance with the Financial Institutions Act. It is the Issuer's intention to use the U.S. Programme as a funding platform to issue Covered Bonds pursuant to and in reliance on Rule 144A of the Securities Act.

#### **All Covered Bonds issued by the Issuer will share the benefit of a shared Cover Pool**

All covered bonds issued under the U.S. Programme, the Programme and any other mortgage covered bonds issued by the Issuer (which rank *pari passu* with the Issuer's derivative contracts) have, and will have, the benefit of a statutory preference under the Financial Institutions Act and the Regulations on the Cover Pool maintained by the Issuer. The Issuer maintains only one Cover Pool in respect of the covered bonds issued under the U.S. Programme, the Programme and any other mortgage covered bonds that it may issue from time to time and the Covered Bondholders will share the benefit of the Cover Pool with all other covered bondholders.

#### **Loans not included in the Issuer Cover Pool**

As at 31 March 2020, the Issuer had NOK 474 million of loans that were not included in the Issuer Cover Pool but were owned by the Issuer. These assets represent Mortgage Loans that have been sold to the Issuer but were not eligible to be included in the Issuer Cover Pool, for example due to some Mortgage Loans being transferred before the Financial Institutions Act was finalised and those Mortgage Loans not satisfying the final eligibility criteria. These ineligible Mortgage Loans are funded by the Issuer from equity, subordinated debt or the overdraft facility, in each case provided by DNB Bank. In the event of public administration of the Issuer, the Covered Bondholders' claim on these assets which do not comprise part of the Issuer Cover Pool would not have a priority status and the Covered Bondholders' claims would rank, against these assets only, *pari passu* with all other claims of unsubordinated creditors of the Issuer.

#### **Derivative instruments**

The Issuer enters into derivative instruments with DNB Bank and may enter into derivative instruments with other parties, comprising interest rate swaps and currency swaps, for the purpose of hedging interest rate and currency risk relating to the Issuer's funding and lending operations as described in "*Certain Provisions of Key Transaction Documents – Derivative Contracts*" above.

#### **Financial information**

The Issuer was initially established with a share capital of NOK 200,000. The first financial period of the Issuer ran from 14 June 2003 to 31 December 2003. The Issuer did not conduct any business between 14 June 2003 and 31 December 2004.

The audited annual financial statements for the years ended 31 December 2005 and 31 December 2006 were prepared in accordance with generally accepted accounting principles in Norway. In 2007, the Issuer adopted Norwegian IFRS Regulations. Norwegian IFRS Regulations allow the Issuer to record provisions for dividends and group contributions as liabilities on the balance sheet date. According to International Financial Reporting Standards, dividends should be classified as equity until formally approved by the shareholders of a company in a general meeting. In addition, Norwegian IFRS Regulations allow for simplified disclosures compared with International Financial Reporting Standards. On 1 January 2011, the Issuer changed its accounting policies to comply with IFRS.

The Issuer finances the origination of new Mortgage Loans and the purchase of Mortgage Loans through (i) Covered Bonds; (ii) subordinated loan capital from DNB Bank; (iii) increases in share capital (which was last increased to NOK 5,257,000,000 at a general meeting on 6 February 2019); and (iv) unsecured senior debt under the overdraft facility described in "*Certain Provisions of Key Transaction Documents – Service Agreement*" above. In a general meeting 5 May 2020, the shareholders of the Issuer enacted to reduce the share capital to NOK 4,427,000,000. The reduction is pending approval from the Norwegian FSA.

In July 2014, the IASB issued the new standard for financial instruments, IFRS 9 Financial Instruments ("**IFRS 9**"), which replaced International Accounting Standards ("**IAS 39**"). IFRS 9 became effective on 1 January 2018. Impairment provisions according to IFRS 9 are measured using an expected loss model instead of an incurred loss model as in IAS 39. IFRS 9 introduces new rules and concepts that require further development of the DNB Bank Group's models and IT systems. The implementation effect of IFRS 9 calculated as of 1 January 2018 was NOK 2 billion after tax for the DNB Bank Group and was recognised as a reduction in "Other equity". This includes the impact of investments accounted for by the equity method.

### **Corporate Governance**

The Issuer's corporate governance principles are based on the DNB Group's corporate governance policy. DNB Group's policy follows the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance.

## MANAGEMENT OF THE ISSUER

### Board of Directors

The Issuer's Board of Directors consists of three members appointed by the general meeting of the Issuer. The current directors are as follows:

Reidar Bolme	Chairman of the Board of Directors; Head of Group Treasury in DNB Bank
Jørn Erik Pedersen	Member of the Board of Directors; Senior Funding Advisor at GIEK
Toril Steinmo	Member of the Board of Directors; Head of Secured Loans, Personal Banking

The Issuer does not consider the activities outside the Issuer of any of the persons listed in the table above to be significant with respect to the Issuer.

The address of the members of the board and the executive management is the registered address of the Issuer.

The Board of Directors is required to conduct its functions in accordance with the applicable rules of procedure adopted at the meeting of the Board of Directors held on 12 February 2009.

### Auditors

The Issuer's current statutory auditor is Ernst & Young AS of Dronning Eufemias gate 6, 0051 Oslo, with company registration number 976 389 387. Ernst & Young AS is also the current statutory auditor of the DNB Group.

The Issuer's financial statements as of and for the years ended 31 December 2019, 31 December 2018 and 31 December 2017 were audited by Ernst & Young AS.

The auditor's statements for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 were unqualified.

Other than as stated above, no other information in this Base Prospectus has been audited by the Issuer's auditors.

### Conflict of interest within administration, management, and supervisory bodies

Under Norwegian law, two out of three of the Issuer's board members may be appointed from the DNB Group. DNB Bank employs two of the three current members and the actual composition of the board is in accordance with the relevant regulations. Although the Issuer is a wholly owned subsidiary of DNB Bank, the Issuer's primary business is to issue Covered Bonds on behalf of the DNB Group, and therefore the Issuer does not believe that conflicts of interest will arise. As at the date of this Base Prospectus, the Issuer is not aware of any potential conflicts of interest relating to responsibilities of members of the Board of Directors of the Issuer and their private interests or other duties.

### Jurisdiction

The Issuer is incorporated under the laws of the Kingdom of Norway and operates under the Financial Institutions Act. Should the Issuer conduct operations outside Norwegian jurisdiction, such operations will also be governed by the laws and regulations of the country in question.

### Shareholders, Management and Employees

The Issuer is a wholly owned subsidiary of DNB Bank. DNB Bank is a wholly owned subsidiary of DNB ASA, which is the holding company of the DNB Group with shares listed on the Oslo Stock Exchange.

The following persons are members of the Issuer's management:

Per Sagbakken, Chief Executive Officer

Roar Sørensen, Head of Finance and Risk Reporting

Nina Aaserud, Head of Compliance

Torild Aamnes, Head of Company Secretariat

The Issuer does not consider the activities outside the Issuer of any of the persons listed in the table above to be significant with respect to the Issuer.



## DESCRIPTION OF THE DNB GROUP AND THE DNB BANK GROUP

### DNB Group

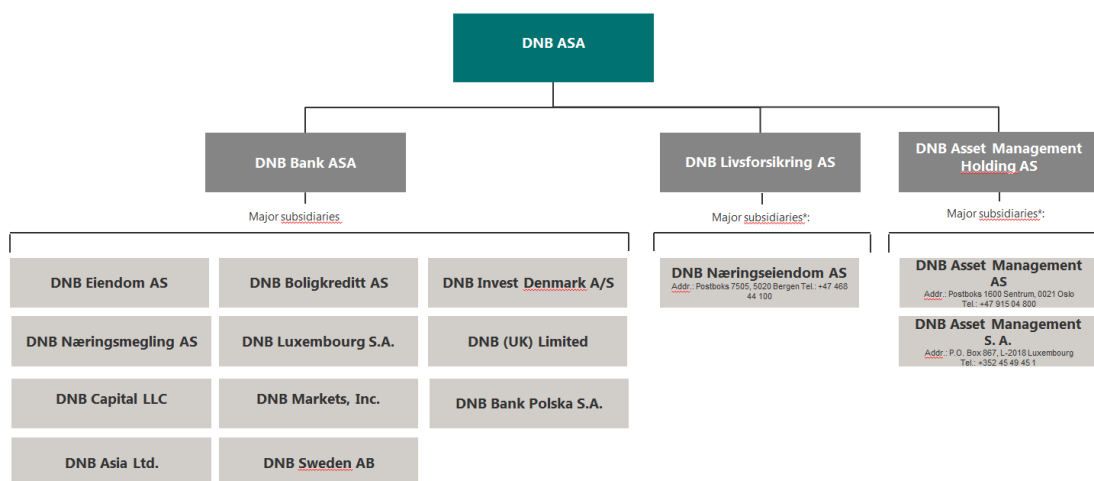
The DNB Bank Group, which includes the Bank and its subsidiaries, is Norway's largest bank group as measured by total assets. The Bank offers corporate, retail and investment banking services and products to customers in Norway and internationally. As of 31 December 2019, the DNB Group is servicing approximately 2.1 million private individuals, approximately 225,000 corporate customers and approximately 1.3 million life and pension insurance customers in Norway.

The DNB Group offers a full range of financial services including lending, deposits, foreign exchange and interest rate products, investment banking products, life insurance and pension saving products, property and casualty insurance products, equity funds, asset management and securities operations as well as real estate brokering.

DNB ASA is the holding company of the DNB Group, and its shares are listed on the Oslo Stock Exchange. As of the date of this Base Prospectus, the Norwegian government held 34.2 per cent. of DNB ASA's shares.

As of 31 December 2019, the DNB Group had the following legal structure (reflecting the major companies of the Group):

### DNB Group Chart



\* 100% owned by DNB ASA

With effect from 16 January 2019, DNB ASA's subsidiary DNB Forsikring AS merged with Sparebank 1 Skadeforsikring AS, with the surviving entity renamed Fremtind Forsikring AS. Fremtind Forsikring AS offers non-life insurance products to retail customers and small and medium-sized companies. DNB ASA currently holds an ownership share in Fremtind Forsikring AS of 35 per cent.

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and insurance activities of DNB Group are organised in separate limited companies under the holding company DNB ASA. Banking activities are organised in DNB Bank and its subsidiaries. Asset management activities are organised under DNB Asset Management Holding AS and DNB Livsforsikring AS offers life insurance and pension saving products.

## **DNB Bank Group**

### ***Introduction***

The DNB Bank Group is Norway's largest bank group as measured by total assets (with NOK 2,888 billion in assets as at 31 March 2020). The DNB Bank Group's market share of credit to households stood at 23.5 per cent at the end of December 2019, while the market share of total household savings was 30.2 per cent at the same date.

DNB Boligkreditt is 100 per cent. owned by DNB Bank and is instrumental in securing the DNB Group's access to long-term funding through the issue of covered bonds, with the goal of securing DNB Group's access to lower-priced funding and thus greater competitive power.

### ***Business overview***

The DNB Bank Group's customer areas are Personal Banking and Corporate Banking (the latter a result of the merger between the business areas Corporate Banking (SME) and Large Corporates and International in September 2019). The DNB Bank Group also provides investment banking services through DNB Markets and cross-sells certain asset management and life insurance products offered by the Insurance and Asset Management companies, for which the DNB Bank Group receives fee and commission income. DNB Bank is also a large private settlement bank in Norway.

Customers' use of digital services is increasing, and DNB Bank is continuing to digitalise its products and services. Further, in response to a higher self-service ratio, a large number of branches have been closed down over the last few years. As at 31 December 2019, DNB Bank only had 57 domestic branches left.

A substantial majority of the DNB Bank Group's lending, deposits and income is attributable to Norway.

### ***Reporting structure - Business segments***

A description of the DNB Bank Group's business segments for financial reporting purposes as of the date of this Base Prospectus is set out below.

#### ***Personal customers***

This segment includes the DNB Bank Group's personal customers in Norway. The customers are offered a wide range of services through Norway's largest distribution network, comprising branch offices, telephone banking, digital banking, mobile banking solutions, real estate broking as well as external channels such as post offices and in-store postal outlets.

Personal Customers includes sales of products and services to personal customers in Norway, both digital and physical, with the exception of certain fixed interest residential mortgages recorded under Traditional Pension Products, where returns accrue to the policyholders. In the DNB Bank Group's consolidated accounts, DNB Boligkreditt is reported with the Personal customers business area. Residential Mortgage Loans are by far the most important lending product of Personal Banking.

#### ***Corporate Banking***

This segment is responsible for product sales and advisory services to corporates in Norway and internationally (at selected locations). Customers in this segment range from small businesses and start-up companies to large corporate customers, and the product offerings are adapted to the

customers' different needs. Corporate Banking customers are served through the DNB Group's physical distribution network as well as digital and telephone banking.

### *Trading*

Trading, which is now reported together with other operations, includes market making and other trading activities in fixed income, currencies and commodities as well as equities, including risk management of the risk inherent in customer transactions. DNB Bank's trading activities support customer activities.

### ***Possible merger between DNB ASA and the DNB Bank***

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 DNB Bank, making the DNB 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 DNB Bank. Therefore, the rationale for the Merger is to enable the DNB Bank to be the entity which issues non-preferred senior debt, rather than DNB ASA.

As per the Financial Institutions Act Section 17-8 sub-section 3, a bank cannot, without the prior written consent from the Norwegian Ministry of Finance, own an insurance company. On 23 December 2019, DNB ASA made an application to the Norwegian Ministry of Finance requesting its consent to approve the Merger. It is difficult to predict how long it will take for the Norwegian Ministry of Finance to process the application; however a period of four to six months from 23 December 2019 is anticipated. If the Norwegian Ministry of Finance approves the application, it is expected that it will take another four to six months before the Merger is completed. The outbreak of the COVID-19 is likely to delay the Ministry's decision.

In the case the Merger is completed, the DNB 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 DNB Bank.

### ***More information about DNB Bank***

The DNB Bank Group's and DNB Bank's current financial statements may be found on the website of DNB Bank at [www.dnb.no](http://www.dnb.no). Please note that the reference to the website of DNB has been provided solely for informational purposes and its contents are not incorporated by reference in this Base Prospectus.

### **Capital adequacy and liquidity requirements**

In 2013, the European Union adopted a legislative package to strengthen the regulations of the banking sector and to implement the Basel III agreement in the EU legal framework. This package included the directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, the "CRD IV" and the regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and

investment firms, the "**CRR**"). On 29 March 2019, the EEA committee decided to incorporate the CRD IV and the CRR in the EEA Agreement.

The Norwegian authorities, to a large extent, provided for early implementation of the capital requirements in the Financial Institutions Act, and regulations passed thereunder. The new rules came into force on 1 July 2013 and required a gradual increase in the formal capital requirements. With effect from 31 December 2019, those parts of CRD IV and CRR that were not already part of Norwegian law, were implemented in Norwegian law.

The capital adequacy requirements for financial institutions in Norway, as at the date of this Base Prospectus, consist of two pillars. Pillar 1 encompasses minimum capital requirements as specified in the Financial Institutions Act, which are based on EU legislation. As per the provisions of the Financial Institutions Act, financial institutions 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 ("**CET1**") capital and at least 6 per cent. must be Tier 1 capital.

In addition to this, the Financial Institutions Act imposes various capital buffer requirements which must be met by Norwegian financial institutions, all consisting of CET1 capital. As at the date of this Base Prospectus, the capital buffer requirements consisted of (i) a conservation buffer of 2.5 per cent. of RWAs (ii) a systemic risk buffer of 3.0 per cent. of the RWAs and (iii) a counter-cyclical buffer of 1.0 per cent. on Norwegian exposures. Financial institutions (including the Issuer and the DNB Group), which the Norwegian authorities have designated as systemically important, must also comply with a buffer for systemically important financial institutions of 2 per cent. of RWAs to mitigate systemic risk.

Under the CRR, the Basel I Floor transitional provisions ceased to apply after 31 December 2017. Due to the delayed full implementation of CRR, the Basel I transitional provisions ceased to apply in Norway with effect from 31 December 2019. This led to a significant reduction in the risk-weighted assets of the Issuer. Since the removal of the Basel I floor reduced RWAs and increased capital ratios of Norwegian financial institutions, such as the Issuer and the DNB Group, the Norwegian Ministry of Finance has resolved to increase capital requirements to counter-balance the implicit capital relief of the Basel I floor. The systemic risk buffer will increase from 3.0 per cent. to 4.5 per cent. from 31 December 2020, and will apply only to domestic exposures. For the Issuer, the effective systemic buffer rate will be 4.5 per cent, whereas for the DNB Group the effective systemic risk buffer will be approximately 3.0 per cent as of 31 December 2020.

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).

Norwegian law provides 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 level of the counter-cyclical buffer is re-assessed by the Norwegian Ministry of Finance and the relevant authorities in each other Member State each quarter and may result in an increase or

a decrease in the rate. A decision to increase the requirement may normally enter into force no earlier than 12 months following such decision.

On 13 March 2020, the Norwegian Ministry of Finance decided to decrease the counter-cyclical buffer rate for Norway from 2.5 per cent. to 1 per cent. Taking into account reduced counter-cyclical buffer in other relevant countries, the DNB Group's effective counter-cyclical buffer as of 31 March 2020 is approximately 0.8 per cent. of RWAs.

CRD IV permits regulators to require the financial institutions that they regulate to hold additional capital, often referred to as "Pillar 2" capital requirements. The NFSA may, pursuant to powers delegated by the Ministry under the Financial Institutions Act, impose such additional capital requirements on Norwegian financial institutions (including the Issuer) based on the relevant institution's risk exposure. The NFSA'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 by Pillar 1. Further to the Norwegian FSA's Supervisory Review and Evaluation Process ("**SREP**") for 2019, the Pillar 2 requirement for DNB Bank, the DNB Bank Group and the DNB Group has been set at 1.8 per cent. of RWAs and must be met with common equity tier 1 capital, with the additional stipulation that the nominal amount of capital held to cover the Pillar 2 requirement shall not be lower than NOK 19.4 billion for the DNB Group, NOK 18.9 billion for the DNB Bank Group and NOK 15.3 billion for DNB Bank. With the removal of the Basel I Floor and the introduction of the SME discount, the RWAs of DNB Bank, the DNB Bank Group and the DNB Group will decrease, assuming all other factors are equal. Consequently, the nominal Pillar 2 requirement became effective and lead to an increase in the effective Pillar 2 requirement of approximately 0.1 per cent. from 31 March 2020, based on RWAs as of 31 March 2020.

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 its 2019 SREP letter to DNB Bank, the DNB Bank Group and the DNB Group, the Norwegian FSA also advised DNB Bank, the DNB Bank Group and the DNB Group to hold a common equity tier 1 capital buffer of not less than 1.0 per cent. on top of the total common equity tier 1 capital requirement.

The Basel III framework also provides for capital requirements based on total (i.e. non-risk weighted) assets, referred to as leverage ratio requirements. In Norway, the requirements have been effective from 30 June 2017. Banks, financial institutions (including the Issuer), holding companies in financial groups and investment firms that provide certain investment services, should hold a leverage ratio of minimum 3 per cent. Additionally, there is a general buffer requirement of 2 per cent. for banks and another 1 per cent for systemically important banks. Any entity which does not comply with the leverage ratio requirements must send a plan to the NFSA within five business days with a timetable for the required increase of the leverage ratio. If the NFSA does not consider the plan to be sufficient it can order to the entity to implement various types of measures to remedy the situation. Under these requirements, the Issuer is required to have a leverage ratio of 3 per cent. and DNB ASA and the DNB Group (on a consolidated basis) are required to have a leverage ratio of 6 per cent. As at 31 March 2020, the leverage ratio of the Issuer was 5.4 per cent. and the leverage ratio of the DNB Group (exclusive of interim profits) was 6.5 per cent.

## Norwegian Macro-Economic Conditions and the Norwegian Housing Mortgage Market

### The Norwegian economy

The macroeconomic environment in Norway is of primary importance to the DNB Group in general and to the Issuer in particular. The table below (source: OECD, Statistics Norway and DNB Markets) sets out (i) details of GDP, (ii) the headline consumer price index ("CPI") and (iii) the rate of unemployment.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Norway</b>										
GDP growth rate	0.7	1.0	2.7	1.0	2.0	2.0	1.2	2.0	1.3	1.2
... Mainland GDP	1.9	1.9	3.7	2.3	2.2	1.4	1.1	2.0	2.2	2.3
CPI growth rate	2.4	1.3	0.7	2.1	2.1	2.2	3.5	1.9	2.7	2.2
Unemployment rate	3.5	3.2	3.1	3.4	3.5	4.3	4.7	4.2	3.8	3.7
<b>Sweden</b>										
GDP growth rate	5.7	2.7	0.0	1.2	2.7	4.2	2.5	2.4	2.4	1.3
CPI growth rate	1.2	3.0	0.9	0.0	-0.2	0.0	1.0	1.8	2.0	1.8
Unemployment rate	8.6	7.8	8.0	8.0	7.9	7.4	6.9	6.7	6.3	6.8
<b>UK</b>										
GDP growth rate	1.7	1.6	1.4	2.0	2.9	2.3	1.8	1.8	1.4	1.4
CPI growth rate	3.3	4.5	2.8	2.6	1.5	0.4	1.0	2.6	2.3	1.7
Unemployment rate	7.9	8.1	8.0	7.6	6.2	5.4	4.9	4.4	4.1	3.7
<b>Eurozone</b>										
GDP growth rate	2.0	1.7	-0.8	-0.2	1.4	2.0	1.9	2.5	1.8	1.2
CPI growth rate	1.6	2.7	2.5	1.3	0.4	0.2	0.2	1.5	1.8	1.2
Unemployment rate	10.2	10.2	11.4	12.0	11.6	10.9	10.0	9.1	8.2	7.5

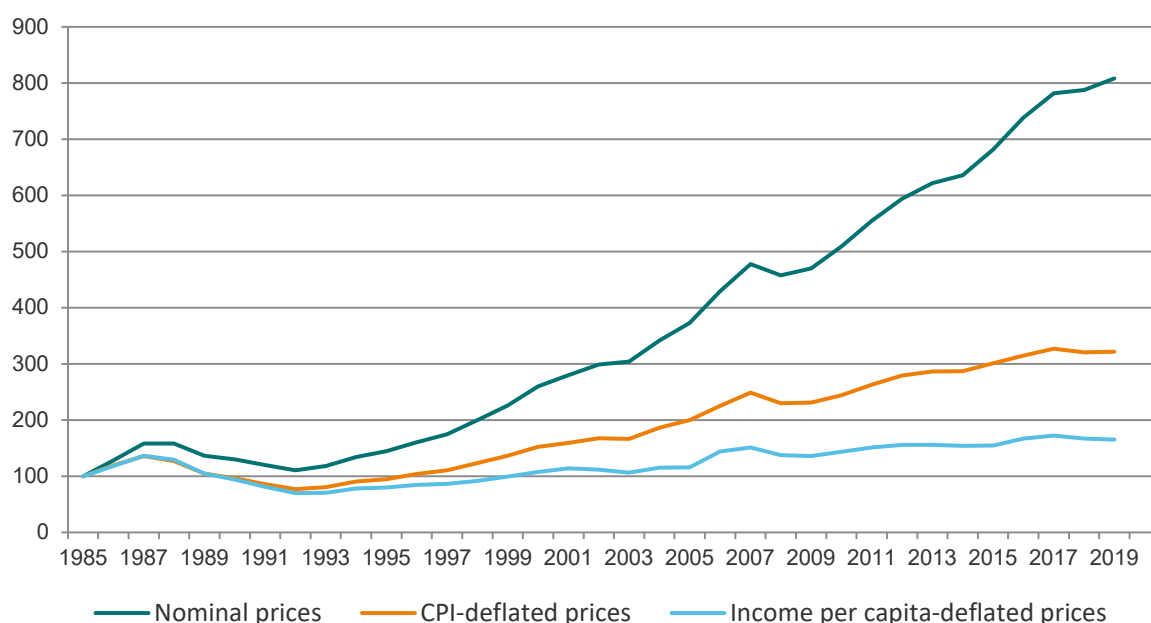
Mainland GDP growth in Norway fell in 2015 and 2016, but rose again in 2017 and 2018. For 2019, the GDP growth was 2.3 per cent. Estimated mainland GDP for 2020 is a reduction of 3.9 per cent., for 2021 a growth of 4.3 per cent., for 2022 a growth of 3.2 per cent. and for 2023 a growth of 2.1 per cent. (Source: *Statistics Norway*, 5 June 2020). Estimated GDP for 2020 and the coming years is highly uncertain due to the outbreak of the COVID-19 virus and the significant drop in oil prices, and some estimates are more negative than those presented by Statistics Norway.

The unemployment rate in Norway has been at a historically low level in a European context. Unemployment reached a peak of 5 per cent. in mid-2016, reflecting the decline in activity in the petroleum sector and weaker growth in the Norwegian economy. However, since then, the unemployment rate has decreased, reaching 3.8 per cent. in December 2019 (Source: *Labour Force Survey (Statistics Norway and Norges Bank)*). The outbreak of the COVID-19 virus has caused a significant increase in registered unemployment from approximately 65,000 on 10 March 2020 to approximately 300,000 on 31 March 2020. Thereafter, the number of registered unemployed has gradually decreased to 171,400 on 2 June 2020 (Source: *Statistics Norway*, 5 June 2020). Since these lay-offs are temporary, this has however not had an impact on the unemployment rate, which as of the end of March 2020 was at 3.6 per cent. (Source: *Labour Force Survey, Statistics Norway and Norges Bank*). The temporary lay-offs will, however, impact the unemployment rate if the lay-offs last longer than 3 months. The high number of temporary lay-offs is a result of new measures where the government covers a significant part of the employees' salary. The unemployment rate is expected to

increase to 5.1 per cent. in 2020, and thereafter to decrease to 4.5 per cent. in 2021, 4.3 per cent. in 2022 and 4.1 per cent. in 2023 (Source: *Statistics Norway*, 5 June 2020). It is, especially in the current environment, very difficult to predict the unemployment rate going forward, and other estimates are more negative than those referred to above. A persistent lower oil price together with the outbreak of the COVID-19 may have a material adverse effect on the unemployment rate.

Wage growth has been volatile the last decade. Following the drop in oil prices in 2014, wage growth dropped significantly. In the subsequent years, the economic activity picked up, resulting in lower unemployment and increased nominal wage growth. For 2019, annual nominal wage growth was 3.5 per cent. and, for 2020, annual nominal wage growth is projected at 2.2 per cent. For 2021, 2022 and 2023, wage growth is projected at 2.0 per cent., 3.5 per cent. and 3.4 per cent., respectively (Source: *Statistics Norway*, 5 June 2020). It is, especially in the current environment, very difficult to predict the wage growth going forward, however a persistent lower oil price together with the outbreak of the COVID-19 may have a material adverse effect on the wage growth rate.

### House Prices in Norway (1985 – 31 December 2019)



Source: Eiendom Norge/Statistics Norway/DNB Markets

The Norwegian residential mortgage market is the most significant factor affecting the Issuer's financial condition and results of operation. During the period from 1993 to 2007, Norway experienced a strong increase in housing prices. During the second half of 2007 and throughout 2008, prices decreased somewhat. Stimulated by substantial cuts in interest rates, housing prices started to increase in early 2009, reaching a peak in the first half of 2017. In Oslo, increases in housing prices were particularly strong, which was a major reason why the Ministry of Finance tightened the rules for home mortgage lending effective as of January 2017. After the peak in the first half of 2017, house prices decreased somewhat (particularly significant in Oslo) but started increasing again from 2018 up until February 2020. Due to the outbreak of the COVID-19 virus and the lower activity as a result of efforts to contain the outbreak, house prices in Norway dropped by 0.9 per cent. (and in Oslo specifically by 2.2 per cent.) from February 2020 to April 2020, but increased in May to a level slightly above the February 2020 figures (both for Norway and Oslo) (Source: *Housing prices statistics, Real Estate Norway*, 4 June 2020). House prices are expected to drop 1.0 per cent. in 2020 and thereafter to increase by 1.0 per cent. in 2021, 3.6 per cent. in 2022 and 2.9 per cent. in 2023 (Source: *Statistics*

Norway, 5 June 2020). The long-term effects of the outbreak of the COVID-19 and its impact on the Norwegian economy combined with slow growth in household incomes suggest uncertainty regarding further developments in house prices and a further drop in house-prices may occur, and other estimates are more negative than those referred to above. Stricter regulation of home mortgages may also continue to dampen house-price growth.

### **Regulation of the Norwegian Residential Mortgage Market**

Pursuant to the Financial Institutions Act, any entity conducting financial activities in Norway, such as granting loans secured by residential mortgages, must be authorised by the Norwegian authorities and is subject to regulatory requirements in its capacity as a financial institution pursuant to the Financial Institutions Act.

Credit Institutions, such as the Issuer, must have their registered office and head office in Norway. The relevant mortgage company is subject to capital adequacy requirements set out in the Financial Institutions Act and regulations issued thereunder. The capital adequacy requirements specify that the mortgage company must, at all times, maintain a satisfactory capital ratio based on the credit risk, market risk and the operational risk relating to the company. The relevant mortgage company's articles of association must be approved by such Norwegian authorities and may not be amended without approval from the authorities. A mortgage company is further subject to several requirements, in particular, extensive reporting requirements. See *"Description of Certain Norwegian Legislation Relating to Covered Bonds"*.

On 14 December 2016, the Ministry published binding regulations with respect to the mortgage lending practices of financial institutions operating in the Norwegian. The regulations were updated 18 November 2019, and will remain in force until 31 December 2020. These regulations address the NFSA's concerns relating to the increasing housing prices in the Norwegian market. The regulation has the effect of, *inter alia*, (i) imposing a firm limit of maximum 85 per cent LTV on all amortising mortgage loans and 60 per cent LTV on mortgage loans related to secondary homes IN Oslo and other credits secured by residential real property (e.g., interest only loans), unless additional security in real property is furnished, (ii) requiring banks to stress test all mortgage applicants' liquidity after mortgage servicing costs by adding 5 per cent to the current market rates, and decline the mortgage applications if the applicant fails the stress test, and (iii) requiring at least 2.5 per cent annual amortization of mortgage loans which have an LTV of more than 60 per cent.

As a general rule under current Norwegian tax law, for a Norwegian taxpayer, all borrowing costs (that is, costs incurred in establishing, servicing and terminating a loan, including, without limitation, all accrued interest costs, the costs of establishing collateral and delay costs) are deductible from taxable income. The applicable rate is 22 per cent (*Source: Norwegian act "Lov om skatt av formue og inntekt" (LOV-1999-03-26-14) (The Taxation Act), in particular sections 6-1 and 6-40).*]



## TAXATION

Prospective purchasers of Covered Bonds are advised to consult their tax advisers as to the tax consequences under the tax laws of the country of which they are residents of a purchase of Covered Bonds, including, but not limited to, the consequences of receipts of interest and sale or redemption of Covered Bonds.

### FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “FATCA”, a “foreign financial institution” (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Norway) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Covered Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Covered Bonds issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Covered Bonds (as described under “Terms and Conditions of the Covered Bonds—Further Issues”) that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Covered Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding.

### NORWEGIAN TAXATION

Payments of principal and interest on the Covered Bonds issued under the Programme to persons who have no connection with Norway other than the holding of such Covered Bonds issued by the Issuer are, under present Norwegian law, not subject to Norwegian tax, and may hence be made without any withholding tax or deduction for any Norwegian taxes, duties, assessments or governmental charges.

Capital gains or profits realised on the sale, disposal or redemption of such Covered Bonds by persons who have no connection with Norway other than the holding of the Covered Bonds are not, under present Norwegian law, subject to Norwegian taxes or duties.

Under present Norwegian law, no Norwegian issue tax or stamp duty is payable in connection with the issues of the Covered Bonds, and the Covered Bonds will not be subject to any Norwegian estate duties.

Persons (corporate entities as well as natural persons) considered domiciled in Norway for tax purposes will be subject to Norwegian income tax on interest received in respect of the Covered Bonds. At the date of this Base Prospectus, the income tax rate is 22 per cent. Likewise, capital gains

or profits realised by such persons on the sale, disposal or redemption of the Covered Bonds will be subject to Norwegian taxation.

On 4 May 2016, the finance committee of the Norwegian Parliament reached agreement that a new tax would be introduced for the added value of financial services (*finansskatt*) from 2017. The new tax was introduced by the Norwegian Parliament on 17 December 2016 and, from the financial year 2017, employers within the finance and insurance sector conducting financial activities will be obliged to pay tax of a flat rate of 5 per cent. on their aggregate wage costs. For companies covered by this tax, such as the Issuer, the income tax rate is 25 per cent.

In October 2015, the Norwegian government issued a white paper describing a tax reform for the period 2016 to 2018, which includes introduction of withholding tax on interest payments from Norway. The white paper was discussed in the Norwegian Parliament in May 2016, without any specific decision related to the withholding tax. After several delays the Norwegian Ministry of Finance issued a consultation paper regarding introduction of new rules relating to withholding tax on interests and royalties on 27 February 2020.

Pursuant to the proposal presented in the consultation paper, interests that are paid from an entity with full or limited tax liability to Norway (such as the Issuer) to a recipient that is tax resident in a low-tax jurisdiction outside of Norway shall be subject to 15 per cent. withholding tax to the extent the recipient is a related party to the payor. A related party is defined as (i) any company or entity owned by or controlled, directly or indirectly, by at least 50 per cent. by the payor, (ii) any company or entity which owns or controls, directly or indirectly, at least 50 per cent. of the payor and (iii) any company or entity owned by or controlled, directly or indirectly, by at least 50 per cent. by a person as referred to in (ii). A low-tax jurisdiction is defined as a jurisdiction that has an efficient tax rate that is less than two-thirds of the effective Norwegian tax rate on similar income. Recipients that are genuinely established within the European Economic Area and conduct real economic activity there, may elect an alternative net taxation method, implying that instead of withholding tax on the gross amount interest received, corporate income tax (currently at a rate of 22 per cent.) may be applied on the basis of the received amount less deduction of costs borne by the recipient which are directly associated with the current loan arrangement. The new rules are proposed to come into effect from 1 January 2021.

## **IRELAND TAXATION**

The following is a summary based on the laws and practices currently in force in Ireland of Irish withholding tax on interest and addresses the tax position of investors who are the absolute beneficial owners of the Covered Bonds. Particular rules not discussed below may apply to certain classes of taxpayers holding Covered Bonds, including dealers in securities and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Covered Bonds. Prospective investors in the Covered Bonds should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Covered Bonds and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.

### **Withholding Tax**

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Covered Bonds so long as such payments do not constitute Irish source income. Interest paid on the Covered Bonds may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which are used to fund the payments on the Covered Bonds; or

- (c) the Issuer is not resident in Ireland for tax purposes but the register for the Covered Bonds is maintained in Ireland or (if the Covered Bonds are in bearer form) the Covered Bonds are physically held in Ireland.

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer does not and will not have a branch or permanent establishment in Ireland; (iii) payments under the Covered Bonds will not be derived from Irish sources or assets; and (iv) bearer Covered Bonds will not be physically located in Ireland and the Issuer will not maintain a register of any registered Covered Bonds in Ireland.

### **Encashment Tax**

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) on any interest, dividends or annual payments payable out of or in respect of the stocks, funds, shares or securities of a company not resident in Ireland, where such interest, dividends or annual payments are collected or realised by a bank or encashment agent in Ireland.

Encashment tax will not apply where the holder of the Covered Bonds is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

### **Irish Land**

In the event that the Covered Bonds derive their value or the greater part of their value directly or indirectly from any immovable property situated in Ireland, Irish stamp duty and/or capital gains tax may arise on documents effecting a transfer of the Covered Bonds.

## **PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced apply to certain dealings in the Covered Bonds (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Covered Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Covered Bonds are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Dealers have in a Programme Agreement dated 25 June 2007 (as amended and restated on 20 June 2008, 19 June 2009, 17 June 2010, 17 June 2011, 8 June 2012, 1 July 2013, 27 June 2014, 1 July 2015, 22 June 2017, 22 June 2018, 21 June 2019 and 17 June 2020 and as further amended or supplemented from time to time, the “**Programme Agreement**”) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Covered Bonds. Any such agreement will extend to those matters stated under “Form of the Covered Bonds” and “Terms and Conditions of the Covered Bonds” above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future updates of the Programme and the issue of Covered Bonds under the Programme.

### United States

The Covered Bonds have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

The Covered Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement in the case of Exempt Covered Bonds) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Covered Bonds of any Series (i) as part of the distribution thereof at any time or (ii) until 40 days after the later of the commencement of the offering and the completion of the distribution, as determined by the Paying Agents, of all Covered Bonds of the Tranche of which such Covered Bonds are a part within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulations S of the Securities Act. Each Dealer has further agreed that it will have sent to each dealer to which it sells the Covered Bonds during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons

Until 40 days after the commencement of the offering of any Series of Covered Bonds, an offer or sale of such Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

In addition in respect of Swiss Domestic Covered Bonds, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that (i) the Swiss Domestic Covered Bonds will be offered and sold in accordance with practices and documentation customary in Switzerland, (ii) each Dealer will use reasonable efforts to sell the Swiss Domestic Covered Bonds within Switzerland, (iii) more than 80 per cent. by value of the Covered Bonds included in an offering that includes Swiss Domestic Covered Bonds are or will be offered and sold to persons who are not distributors (as defined in the United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010)) by distributors (as so defined) maintaining an office located in Switzerland and (iv) the

issuance of the Swiss Domestic Covered Bonds may be subject to guidelines or restrictions imposed by governmental, banking or securities authorities in Switzerland and each Dealer agrees to comply with such guidelines and restrictions.

### **Prohibition of Sales to EEA and UK Retail Investors**

Unless the Final Terms in respect of any Covered Bonds (or Pricing Supplement, in the case of Exempt Covered Bonds) specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - i. a retail client as defined in point (11) of Article 4(1) of MiFID II;
  - ii. a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - iii. not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

If the Final Terms in respect of any Covered Bonds (or Pricing Supplement, in the case of Exempt Covered Bonds) specified “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area and the UK (each a “**Relevant State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Covered Bonds to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a base prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a base prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Covered Bonds to the public** in relation to any Covered Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds; and

- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

## United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Covered Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the UK.

## Norway

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Bonds in Norway, unless the Issuer has confirmed in writing to each Dealer that a prospectus in relation to the Covered Bonds filed with and approved by the competent authority in Norway or, where appropriate, approved in another Relevant State and notified to the competent authority in Norway, all in accordance with the Prospectus Regulation, except that it may offer or sell Covered Bonds in Norway at any time:

- (a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of not less than €100,000 per investor cf. the Prospectus Regulation Article 1 no. 4 (c) as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act of 29 June 2007 No. 75. (the "**Securities Trading Act**"); or
- (b) to any legal entity which is a "qualified investor " as defined in the Prospectus Regulation Article 2 (e), cf. Article 1 no. 4 (a), as incorporated into Norwegian law pursuant to Section 7-1 of the Norwegian Securities Trading Act of 29 June 2007 no. 75;
- (c) to, when aggregated with such offer or sale of any Covered Bonds in the same offering by any other Dealer, fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation Article 2 (e), cf. Article 1 no. 4 (b), as incorporated into Norwegian law pursuant to Section 7-1 of the Norwegian Securities Trading Act of 29 June 2007 no. 75) subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer; or
- (d) in any other circumstances which do not require the registration or publication by the Issuer or the Dealer of a prospectus pursuant to the Prospectus Regulation Article 1 no. 4 and no. 6 as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act.

Covered Bonds shall be registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be VPS.

#### **Denmark**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold and will not offer, sell or deliver any Covered Bonds directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Danish Consolidated Act no. 459 of 24 April 2019 on Capital Markets, as amended, and Executive Orders issued thereunder and in compliance with Executive Order No. 1580 of 17 December 2018, as amended, supplemented or replaced from time to time, issued pursuant to the Danish Financial Business Act (Consolidated Act No. 457 of 24 April 2019, as amended or replaced from time to time).

#### **The Netherlands**

Any Exempt Covered Bonds (or any interest therein) are not and may not, directly or indirectly, be offered, sold, pledged, delivered or transferred in the Netherlands, on their issue date or at any time thereafter, and neither this Base Prospectus or any other document in relation to any offering of any Exempt Covered Bonds (or any interest therein) may be distributed or circulated in the Netherlands, other than to qualified investors as defined in the Prospectus Regulation, provided that these parties acquire any Exempt Covered Bonds for their own account or that of another qualified investor.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that bearer Zero Coupon Covered Bonds in definitive bearer form and other bearer securities in definitive form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*), the “**SCA**”) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such securities to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such securities if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

#### **Belgium**

Other than in respect of Covered Bonds for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Covered Bonds), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that an offering of Covered Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a “**Belgian Consumer**”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Covered Bonds, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Covered Bonds, directly or indirectly, to any Belgian Consumer.

#### **Japan**

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and each Dealer has

represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold and will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

#### **General**

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Fiscal Agent, the Arranger nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Fiscal Agent, the Arranger nor any of the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.



## GENERAL INFORMATION

### Authorisation

The establishment and the subsequent updates of the Programme and the issue of Covered Bonds have been duly authorised by a resolution of the meeting of the Board of Directors of the Issuer dated 16 January 2020.

### Approval, Listing of Covered Bonds and Admission to Trading on the Regulated Market

Application has been made to Euronext Dublin for Covered Bonds issued under the Programme (other than the Exempt Covered Bonds, the Swiss Domestic Covered Bonds and VP Systems Covered Bonds which are not cleared through VPS, VP or VPC) within 12 months of this Base Prospectus to be admitted to the Official List and trading on the Regulated Market of Euronext Dublin).

### Documents Available

For the period of 12 months following the date of the Base Prospectus, copies of the following documents will, when published, be available from <https://www.ir.dnb.no/funding-and-rating/funding-programmes>:

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the Agency Agreement, the Deed of Covenant, the forms of the Temporary Bearer Global Covered Bonds, the Permanent Bearer Global Covered Bonds, the definitive Bearer Covered Bond, the Registered Covered Bond, the Swiss Global Covered Bond, the Coupons and the Talons;
- (iii) a copy of this Base Prospectus; and
- (iv) any future prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Covered Bonds) (save that Pricing Supplements will only be available for inspection by a holder of such Covered Bond and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Covered Bonds and identity) to the Base Prospectus and any other documents incorporated herein or therein by reference.

### Clearing Systems

The Covered Bonds have been accepted for clearance through Euroclear, Clearstream, Luxembourg and SIX SIS AG. The appropriate Common Code, ISIN and Swiss Security Number (as appropriate) for each Tranche of Covered Bonds allocated by Euroclear, Clearstream, Luxembourg and SIX SIS AG will be specified in the applicable Final Terms, or as the case may be, the applicable Pricing Supplement. If the Covered Bonds are to clear through VPS, VP or VPC and are to be listed on the Regulated Market of Euronext Dublin, Investors with accounts in Euroclear and/or Clearstream, Luxembourg may hold Covered Bonds in their accounts with such clearing systems and the relevant clearing system will be shown in the records of, as the case may be VPS, VP or VPC as the holder of the relevant amount of the Covered Bonds. If the Covered Bonds are to clear through an additional or alternative clearing system (including VPS, VP or VPC), the appropriate information will be specified in the applicable Final Terms or Pricing Supplement. Euroclear, Clearstream, Luxembourg, SIX SIS AG, VPS, VP and VPC are the entities in charge of keeping the records.

The address of Euroclear is 1 Boulevard du Roi Albert II, B.1210 Brussels, Belgium; the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg; the address of SIX SIS AG is Baslerstrasse 100, CH-4600 Olten, Switzerland; the address of the VPS is Fred. Olsens gate 1, Po. Box 1174 Sentrum, 0107 Oslo; the address of the VP is Helgeshøj Alle´ 61, DK-2630 Taastrup, Denmark; and the address of the VPC is Regeringsgaten 65, SE-103 97 Stockholm, Sweden.

## **Conditions for Determining Price**

The issue price and amount of the Covered Bonds of any Tranche to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of the issue of such Tranche in accordance with prevailing market conditions.

## **Language of this Base Prospectus**

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

## **Yield**

In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield in respect of such Covered Bonds will be specified in the applicable Final Terms (or Pricing Supplement in the case of Exempt Covered Bonds). The yield is calculated at the Issue Date of the Covered Bonds on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.

## **Material Change and Significant Change**

Save as disclosed in the risk factors *“Norwegian households are exposed to a decrease in house prices and increases in interest rates may impact the customers’ ability to service the loans”, “Weakening business conditions and economic activity in Norway may adversely affect the DNB Bank Group and the Issuer”, “Borrowers under interest-only mortgages may not be able to pay the increased amounts falling due over the term remaining after the interest-only term” and “The outbreak of COVID-19 (and possibly other contagious diseases) may adversely impact the DNB Bank Group, including the Issuer”,* since 31 December 2019, there has been no material adverse change in the financial position or prospects of the Issuer and, since 31 March 2020, there has been no significant change in the financial performance or position of the Issuer.

## **Litigation**

The Issuer is not nor has it been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer.

## **Further Information relating to the Cover Pool**

The Issuer provides Issuer Reports at three-month intervals shortly after Cover Pool data is determined. Cover Pool data is currently determined at 31 December, 31 March, 30 June and 30 September in each year. The Issuer Reports shall be posted on the Issuer's website at: <https://www.ir.dnb.no/funding-and-rating/cover-pool-data>. The Issuer's website and the contents thereof do not form any part of this Base Prospectus.

## **Auditors**

The Issuer's accounts for each of the financial year ended 31 December 2018 and 31 December 2019 were audited by Ernst & Young AS of Oslo Atrium, Dronning Eufemias gate 6, 0051 Oslo, state authorised public accountants who were appointed to act for the Issuer with effect from 30 April 2008. Ernst & Young AS is a member of the Norwegian Institute of Public Accountants and is supervised by Norwegian Finanstilsynet which is recognised by the Swiss Federal Council.

## **Irish Listing Agent**

The Irish Listing Agent is Arthur Cox Listing Services Limited and the address of its registered office is Arthur Cox Building, Ten Earlsfort Terrace, Dublin 2, Ireland. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Covered Bonds and is not itself seeking admission of the Covered Bonds to the Official List or to trading on the Regulated Market of Euronext Dublin.

## GLOSSARY

In this Base Prospectus, the following defined terms have the meanings set out below:

**“Accrual Period”** shall mean the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant Payment Date.

**“Agency Agreement”** shall mean the agency agreement (as amended and restated on 20 June 2008, 19 June 2009, 17 June 2010, 17 June 2011, 8 June 2012, July 2013, 27 June 2014, 1 July 2015, 5 February 2018, 22 June 2018 and 17 June 2020 and as may be further amended or supplemented from time to time) dated 25 June 2007 between the Issuer, Fiscal Agent and the other agents.

**“Amortised Face Amount”** shall have the meaning given to it in Condition 5(e) (Early Redemption Amounts) of the Terms and Conditions of the Covered Bonds.

**“Applicable Procedures”** shall mean, in relation to the transfer and/or exchange of a beneficial interest in the Registered Global Covered Bond, the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

**“Bank”** shall mean DNB Bank.

**“Basel Committee”** shall mean the Basel Committee on Banking Supervision.

**“Basel III”** shall mean the changes approved by the Basel Committee to the Basel II regulatory capital and liquidity framework in 2011.

**“Bearer Covered Bonds”** shall mean Covered Bonds issued in bearer form.

**“Beneficial Owner”** shall mean the actual purchaser of a Registered Covered Bond.

**“Bank Recovery and Resolution Directive”** or **“BRRD”** shall mean Directive EU 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.

**“Business Day”** shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds.

**“Calculation Agent(s)”** shall mean any calculation agent appointed in accordance with the Agency Agreement.

**“Central Bank”** shall mean the Central Bank of Ireland as competent authority under the Prospectus Regulation.

**“CET1”** shall mean common equity tier 1.

**“Clearstream, Luxembourg”** shall mean Clearstream Banking, S.A.

**“Code”** shall mean the Internal Revenue Code of 1986, as amended.

**“Common Depositary”** shall mean the common depositary who receives the Temporary Bearer Global Covered Bonds (which are not intended to be issued in NGCB form) on or prior to the original issue date of the Tranche.

**“Common Safekeeper”** shall mean the common safekeeper who receives the Temporary Bearer Global Covered Bonds (which are intended to be issued in NGCB form) on or prior to the original issue date of the Tranche.

**“Conditions”** shall mean the conditions set forth in this Base Prospectus.

**“Couponholders”** shall mean the holders of the Coupons, and unless the context requires otherwise, the holders of Talons.

**"Coupons"** shall mean the interest coupons on interest bearing definitive Bearer Covered Bonds.

**"Covered Bondholder"** shall mean the holder of Covered Bonds.

**"Covered Bonds"** shall mean those covered bonds issued by the Issuer under the Programme in accordance with the Financial Institutions Act.

**"Cover Pool"** shall mean the cover pool as defined in the Financial Institutions Act.

**"CPI"** shall mean consumer price index.

**"Credit Institution"** shall mean Norwegian financial enterprises which are licensed as a mortgage company (*kredittforetak*) under the Financial Institutions Act Section 1-3 Paragraph 1, letter b), which may issue covered bonds.

**"Currency Swap Agreement"** shall mean a currency swap entered into by the Issuer by executing an ISDA Master Agreement (including a schedule, confirmations and credit support annex) (each of the transactions thereunder, a **"Currency Swap"**) with a currency swap provider (a **"Currency Swap Provider"**).

**"Currency Swap Early Termination Event"** shall mean the termination of the Currency Swap Agreement in certain circumstances, including (without limitation) pursuant to any other events of default and termination events set out in the Currency Swap Agreement (each referred to as a Currency Swap Early Termination Event), including (a) at the option of any party to the Currency Swap Agreement, if there is a failure by the other party to make timely payments of any amounts due under the Currency Swap Agreement; and (b) upon the occurrence of the insolvency of the Currency Swap Provider or any guarantor of the Currency Swap Provider's obligations.

**"Day Count Fraction"** shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds.

**"Deed of Covenant"** shall mean the deed of covenant (as amended and restated on 1 July 2013 and as further amended or supplemented from time to time) executed by the Issuer in relation to the Covered Bonds on 25 June 2007.

**"Dealer"** shall mean each entity specified as such in the Programme.

**"Determination Period"** shall mean the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after such date).

**"Distribution Compliance Period"** shall mean the period that ends 40 days after completion of the distribution of each Tranche of Covered Bonds, as certified by the relevant Dealer or, as the case may be, the Lead Manager.

**"DNB Bank"** shall mean DNB Bank ASA.

**"DNB Bank Group"** shall mean DNB Bank ASA and its subsidiaries.

**"DNB Group"** shall mean DNB ASA and its subsidiaries.

**"EEA"** shall mean European Economic Area.

**"EMIR"** shall mean the European Markets Infrastructure Regulation (EU) No 648/2012.

**"EU"** shall mean European Union.

**"EURIBOR"** shall mean the Euro-zone inter-bank offered rate.

**"Euro-zone"** means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Communities, as amended.

**“Euroclear”** shall mean Euroclear Bank SA/NV.

**“Exchange Date”** shall mean the date on which interests in the Temporary Bearer Global Covered Bond are exchanged either for interests in a Permanent Bearer Global Covered Bond or for definitive Bearer Covered Bonds as the case may be.

**“Exchange Event”** shall mean (i) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Issuer, the Fiscal Agent, the other Paying Agents and the Covered Bondholder is available or, unless otherwise specified in the applicable Final Terms, or as the case may be, the applicable Pricing Supplement, (ii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 6 (Taxation) which would not be required were the Covered Bonds represented by the Permanent Bearer Global Covered Bond in definitive bearer form and a certificate to such effect signed by two Directors of the Issuer has been given to the Fiscal Agent.

**“Extended Maturity Date”** shall mean the automatic monthly extension to the Maturity Date up to but not later than twelve months from the Maturity Date, subject as otherwise provided for in the applicable Final Terms, or as the case may be, the applicable Pricing Supplement, where the Issuer has failed to redeem the relevant Covered Bonds in full on the Maturity Date (or within two Business Days thereafter).

**“FIEA”** shall mean the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended).

**“Financial Institutions”** shall mean the Norwegian financial enterprises (*finansforetak*) as defined in the Financial Institutions Act which may issue covered bonds.

**“Financial Institutions Act”** shall mean the Norwegian Act on financial institutions and financial groups of 10 April 2015 No 17 (*finansforetaksloven*).

**“Financing Legislation”** shall mean the Financial Institutions Act and the Financial Institutions Regulation.

**“Financial Institutions Regulation”** shall mean the Regulations on financial institutions and financial groups of 9 December 2016 No. 1502 issued by the Ministry under the authority conferred on it by the Financial Institutions Act.

**“Fiscal Agent”** shall mean Citibank, N.A. or any successor agent appointed in accordance with the Agency Agreement.

**“Fixed Interest Period”** shall mean the period from (and including) as Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

**“Fixed Rate Covered Bond”** shall mean Covered Bonds which provide for interest based on a fixed rate.

**“Floating Rate Covered Bond”** shall mean Covered Bonds which provide for interest based on a floating rate.

**“Further Covered Bonds”** shall mean further covered bonds created and issued by the Issuer from time to time having terms and conditions the same as the Covered Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds.

**“Government Loans”** shall mean a loan guaranteed by certain governmental bodies which, pursuant to the Financial Institutions Act, can be included in the Cover Pool.

**“Green Covered Bonds”** shall mean Covered Bonds for which the *“Reasons for the Offer”* in Part B of the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable

Pricing Supplement) are stated to be for “green” purposes as described in the “*Use of Proceeds*” section.

“**Group**” shall mean the DNB group.

“**IFRS**” shall mean International Financial Reporting Standards.

“**Inspector**” shall mean the independent inspector appointed under the Financial Institutions Act.

“**Insurance Distribution Directive**” shall mean Directive (EU) 2016/97.

“**Interest Amount**” shall mean the amount of interest payable per Calculation Amount on the Floating Rate Covered Bonds for the relevant Interest Period as calculated by the Fiscal Agent or, where the applicable Final Terms (or Pricing Supplement in the case of Exempt Covered Bonds) specifies a Calculation Agent, the Calculation Agent.

“**Interest Payment Date**” shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds.

“**Interest Rate Swap Agreement**” shall mean an interest swap entered into by the Issuer by executing an ISDA Master Agreement (including a schedule, confirmations and credit support annex) (each of the transactions thereunder, an “**Interest Rate Swap**”) with an interest rate swap provider (an “**Interest Rate Swap Provider**”).

“**Interest Rate Early Termination Event**” shall mean the termination of the Interest Rate Swap Agreement in certain circumstances including (without limitation) pursuant to any other events of default and termination events set out in the Interest Rate Swap Agreement (each referred to as an Interest Rate Swap Early Termination Event), including (a) at the option of any party to the Interest Rate Swap Agreement, if there is a failure by the other party to make timely payments of any amounts due under the Interest Rate Swap Agreement; and (b) upon the occurrence of the insolvency of the Interest Rate Swap Provider or any guarantor of the Interest Swap Provider’s obligations.

“**Intermediary**” means SIX SIS AG or any other clearing institution recognised by the SIX Swiss Exchange.

“**Investor’s Currency**” shall mean the currency or currency unit in which an investor’s financial activities are denominated principally, other than a Specified Currency.

“**Investor Put**” shall mean the option of the Covered Bondholders to redeem certain Covered Bonds.

“**IRS**” shall mean the United States Internal Revenue Service.

“**ISDA Rate**” shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds.

“**ISDA Definitions**” shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds.

“**Issuer**” shall mean DNB Boligkreditt AS.

“**Issuer Call**” shall mean the option of the Issuer to redeem certain Covered Bonds.

“**Issuer Cover Pool**” shall mean the cover pool maintained by the Issuer in accordance with the terms of the Financial Institutions Act (as amended by the Terms and Conditions of the Covered Bonds) which only consists of loans secured (i) by Residential Mortgages and (ii) by mortgages over second homes or joint debt of housing cooperatives secured by mortgages over real property of such entities, receivables in the form of certain derivatives agreements specified under the Financial Institutions Act and supplemental assets (as defined under the Financial Institutions Act).

“**LCR**” shall mean the Liquidity Coverage Ratio.

“**LIBOR**” shall mean the London inter-bank offered rate.

**“London Business Day”** shall mean a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

**“Long Maturity Covered Bond”** shall mean a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Covered Bond.

**“LTVs”** shall mean loan to value ratios.

**“Maturity Date”** shall mean the scheduled maturity date of such Covered Bonds as set out in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

**“MiFID II”** shall mean Directive 2014/65/EU (as amended) of the European Parliament and of the Council on markets in financial instruments of 15 May 2014.

**“Ministry”** shall mean the Norwegian Ministry of Finance.

**“Moody’s”** shall mean Moody’s Investor Services Limited.

**“Mortgage Loans”** shall mean the following mortgage products which are offered: (i) Floating Interest Rate Home Equity Credit Line (*rammekreditt*); (ii) Floating Interest Rate Mortgage Loans; and (iii) Fixed Interest Rate Mortgage Loans that are subject to a fixed interest rate for a specified period of time (three, five or ten years).

**“Mortgages”** shall mean the various types of mortgages which, pursuant to the Financial Institutions Act, may be the subject of security for loans that can be included in the Cover Pool.

**“NGCB”** and **“New Global Covered Bond”** shall mean those global Covered Bonds which are issued in new global Covered Bond form.

**“Norwegian Supplementary Regulations”** shall mean any regulations laid down pursuant to the Financial Institutions Act.

**“NSFR”** shall mean the Net Stable Funding Ratio.

**“OECD”** shall mean the Organisation for Economic Co-operation and Development.

**“Official List”** means the official list of Euronext Dublin.

**“Old Financial Institutions Act”** shall mean the Norwegian Act on financing activity and financial institutions of 10 June 1988 No. 40.

**“Other Property Mortgages”** shall mean mortgages over other real property to the extent not Residential Mortgages.

**“Overdraft Facility”** shall mean the overdraft facility advanced by the Bank to the Issuer under the terms of the Service Agreement.

**“Paying Agent”** shall mean Citibank, N.A. and any additional or successor paying agent(s) appointed in accordance with the terms of the Agency Agreement.

**“Paying Agents”** shall mean the Paying Agent and the Fiscal Agent.

**“Payment Day”** shall have the meaning given to it in Condition 4 (Payments) of the Terms and Conditions of the Covered Bonds.

**“Permanent Bearer Global Covered Bond”** shall mean a permanent global Covered Bond.

**“PRIIPs Regulation”** shall mean Regulation (EU) No. 1286/2014 (as amended).

**“Principal Swiss Paying Agent”**, in respect of Swiss Domestic Covered Bonds, has the meaning given to it in the applicable Final Terms.

**“Proceedings”** shall mean any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Covered Bonds and/or the Coupons.

**“Programme”** shall mean the €60,000,000,000 Covered Bond Programme of DNB Boligkreditt AS.

**“Programme Agreement”** shall mean the Programme Agreement (as amended and restated on 20 June 2008, 19 June 2009, 17 June 2010, 17 June 2011, 8 June 2012, 1 July 2013, 27 June 2014, 1 July 2015, 22 June 2017, 22 June 2018, 21 June 2019 and 17 June 2020 and as further amended or supplemented from time to time) between the Issuer and Barclays Bank PLC and the other dealers named therein dated 25 June 2007.

**“Prospectus Regulation”** shall mean Regulation (EU) 2017/1129.

**“Qualified Residential Mortgages”** shall mean all Mortgage Loans purchased by the Issuer and included in the Issuer Cover Pool.

**“Record Date”** shall have the meaning ascribed to it in Condition 4(c) (Presentation of Covered Bonds and Coupons) of the Terms and Conditions of the Covered Bonds.

**“Redeemed Covered Bonds”** shall mean Covered Bonds (or, as the case may be, parts of Registered Covered Bonds) to be redeemed.

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent and in the case of a determination of a Reference Rate that is not LIBOR or EURIBOR, the principal office of four major banks in the inter-bank market of the Relevant Financial Centre;

**“Registered Covered Bonds”** shall mean Covered Bonds issued in registered form without interest coupons.

**“Registrar”** shall mean Citigroup Global Markets Europe AG or any successor registrar appointed in accordance with the Agency Agreement.

**“Regulated Market of Euronext Dublin”** means the regulated market of Euronext Dublin.

**“Relevant Date”** shall mean the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar or, in the case of VP Systems Covered Bonds, the holders of the VP Systems Covered Bonds, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with the Condition 13 (Notices).

**“Relevant State”** shall mean each Member State of the European Economic Area and the UK.

**“Residential Mortgages”** shall have the meaning ascribed to it in the Financial Institutions Act.

**“RWAs”** shall mean risk-weighted assets.

**“SEC”** shall mean the United States Securities and Exchange Commission.

**“Securities Act”** shall mean the U.S. Securities Act of 1933, as amended.

**“Selection Date”** shall have the meaning given to it in Condition 5 (Redemption and Purchase) of the Terms and Conditions of the Covered Bonds.

**“Series”** shall mean a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and



(ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

**"Service Agreement"** shall mean the service agreement (as amended or supplemented from time to time and which replaced the service agreement entered into on 16 February 2011) between DNB Bank and the Issuer entered into on 18 December 2015.

**"SIX Swiss Exchange"** shall mean SIX Swiss Exchange AG.

**"Specified Currency"** shall mean each of Euro, Sterling, U.S. dollars, Swiss Francs, Yen, Norwegian kroner, Danish kroner, Swedish kronor and, subject to any applicable legal or regulatory restrictions and any applicable reporting requirements, any other currency agreed between the Issuer and the relevant Dealer.

**"S&P"** shall mean S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies Inc.

**"Statutory Register"** shall mean the register of the Covered Bonds and the Cover Pool maintained by the Issuer in accordance with the terms of the Financial Institutions Act and the Financial Institutions Regulation.

**"Swiss Domestic Covered Bonds"** shall mean Bearer Covered Bonds which are denominated in Swiss Francs, unless otherwise specified in the applicable Final Terms.

**"Swiss Global Covered Bonds"** shall mean Swiss Domestic Covered Bonds which are represented upon issue by a permanent global covered bond and are deposited with the Intermediary.

**"Swiss Paying Agent"**, in respect of Swiss Domestic Covered Bonds, has the meaning given to it in the applicable Final Terms.

**"Talons"** shall mean talons for further Coupons.

**"TARGET System"** shall mean the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System or any successor thereto.

**"Treasury Regulations"** shall mean the Treasury regulations promulgated under the Code.

**"Temporary Bearer Global Covered Bond"** shall mean the temporary global Covered Bond in bearer form which will initially represent the Bearer Covered Bonds of each Tranche.

**"Terms and Conditions of the Covered Bonds"** shall mean in relation to the Covered Bonds, the terms and conditions to be endorsed on, attached to, or incorporated by reference into, the Covered Bonds, and any reference to a particular numbered Condition shall be construed in relation to the Covered Bonds accordingly.

**"Transfer Agents"** shall mean Citibank, N.A. and any additional or successor transfer agent(s) appointed in accordance with the terms of the Agency Agreement.

**"Transfer Agreement"** shall mean the transfer agreement (as amended or supplemented from time to time and which replaced the transfer agreement entered into on 16 February 2011) between DNB Bank and the Issuer entered into on 18 December 2015.

**"Transferred Mortgages"** shall mean the Qualified Residential Mortgages being transferred.

**"Tranche"** shall mean Covered Bonds which are identical in all respects (including as to listing).

**"United States person"** shall mean a United States person for the U.S. federal income tax purposes.

**"U.S. Programme"** shall mean the U.S.\$12,000,000,000 covered bond programme of the Issuer.

**"VP"** shall mean VP Securities Services (*Værdipapircentralen A/S*), the Danish central securities depository;

**“VPC”** shall mean Nordic Central Securities Depository (*NCSD Systems Aktiebolag*), the Swedish central securities depository;

**“VPS”** shall mean the Norwegian Central Securities Depository, the *Verdipapirsentralen ASA*.

**“VPS Account Manager”** shall mean DNB Bank ASA, *Verdipapirservice*.

**“VP Systems Account Manager”** shall mean DNB Bank ASA, *Verdipapirservice* in its capacity as the VPS Account Manager and/or any other agent appointed by the Issuer from time to time in relation to the VP Systems Covered Bonds.

**“VP Systems Covered Bonds”** shall mean Covered Bonds issued in uncertified book entry form cleared through VPS, VP, VPC or any other relevant clearing system.

**“VP Systems Letter”** shall mean letter sent by the Issuer to the Fiscal Agent on the issue of VP Systems Covered Bonds which sets out the terms of relevant issue of VP Systems Covered Bonds in the form of Final Terms or Pricing Supplement, as the case may be, attached thereto.

**“Zero Coupon Covered Bonds”** shall mean Covered Bonds which provide that no interest is payable.

#### **THE ISSUER**

**DNB Boligkreditt AS**  
Dronning Eufemias gate 30  
c/o DNB Bank ASA  
N-0191 Oslo  
Norway

#### **THE FISCAL AGENT**

**Citibank, N.A.**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

#### **TRANSFER AGENT**

**Citibank, N.A.**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

#### **REGISTRAR**

**Citigroup Global Markets  
Europe AG**  
Reuterweg 16  
60323 Frankfurt  
Germany

#### **LEGAL ADVISERS**

*To the Issuer as to Norwegian law*

**Ingrid de la Forest**  
Attorney at law  
DNB Bank ASA  
Dronning Eufemias gate 30  
N-0191 Oslo  
Norway

*To the Dealers as to English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

*To the Dealers as to Norwegian law*

**Wikborg Rein Advokatfirma AS**  
Dronning Mauds Gate 11  
PO Box 1513 Vika  
N-0117 Oslo  
Norway

#### **AUDITOR**

*To the Issuer*

**Ernst & Young AS**  
Oslo Atrium  
Dronning Eufemias Gate 6  
NO-0051 Oslo  
Norway

## DEALERS

### **Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2 DO2 RF29  
Ireland

### **Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

### **BNP PARIBAS**

16, boulevard des Italiens  
75009 Paris  
France

### **Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt am Main  
Germany

### **Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### **Commerzbank Aktiengesellschaft**

Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

### **Credit Suisse Securities (Europe) Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

### **Deutsche Bank Aktiengesellschaft**

Mainzer Landstraße 11-17  
60329 Frankfurt am Main  
Germany

### **DNB Bank ASA**

Dronning Eufemias gate 30  
N-0191 Oslo  
Norway

### **Goldman Sachs International**

Plumtree Court  
25 Shoe Lane  
London EC4A 4AU  
United Kingdom

### **HSBC France**

103 avenue des Champs Elysées  
75008 Paris  
France

### **Landesbank Baden-Württemberg**

Am Hauptbahnhof 2  
70173 Stuttgart  
Germany

### **Nomura International plc**

1 Angel Lane  
London EC4R 3AB  
United Kingdom

### **Norddeutsche Landesbank – Girozentrale –**

Friedrichswall 10  
30159 Hannover  
Germany

### **UBS Europe SE**

Bockenheimer Landstraße 2-4  
60306 Frankfurt am Main  
Germany

### **UniCredit Bank AG**

Arabellastrasse 12  
81925 Munich  
Germany