

DnB NOR Bank ASA

DnB NOR

(incorporated in Norway)

£350,000,000

**Fixed/Floating Rate Non-cumulative Perpetual Step-up Capital
Contribution Securities
Issue Price: 100 per cent.**

The £350,000,000 Fixed/Floating Rate Non-cumulative Perpetual Step-up Capital Contribution Securities (the “Notes”) offered hereby constitute unsecured, subordinated debt obligations of DnB NOR Bank ASA (the “Bank” or the “Issuer”), a public limited liability company organised under the laws of the Kingdom of Norway (“Norway”). The Notes will be denominated in pounds sterling and will initially bear interest at the rate of 6.0116 per cent. per annum from and including 31 January 2007 (the “Closing Date”) to, but excluding, 29 March 2017, payable annually in arrear on 29 December in each year, commencing on 29 December 2007 save that there will be a short first coupon in respect of the period from and including the Closing Date to, but excluding, 29 December 2007 and a short coupon in respect of the period from and including 29 December 2016 to, but excluding, 29 March 2017. From and including 29 March 2017, the Notes will bear interest at a floating rate of interest equal to the London Inter-bank Offered Rate for three-month pounds sterling deposits (“Sterling LIBOR”), as determined by Citibank, N.A. or its successor as fiscal agent (the “Fiscal Agent”), plus a margin of 1.695 per cent. per annum, payable quarterly in arrear on 29 March, 29 June, 29 September and 29 December in each year, commencing on 29 June 2017. Interest payments to be made by the Issuer will be made subject to Norwegian laws relating to the availability of funds distributable to shareholders and certain other regulatory conditions. The Notes will be issued on the Closing Date.

Investing in the Notes involves risks. Please review the section entitled “Risk Factors” beginning on page 3 of this Prospectus.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “CSSF”), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the “Prospectus Directive”). Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. References in this Prospectus to the Notes being “listed” (and all related references) shall mean that the Notes have been admitted to trading on the Luxembourg Stock Exchange’s regulated market and listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 93/22/EEC (the “Investment Services Directive”).

The Notes are rated “A-” by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. (“Standard & Poor’s”), “A2” by Moody’s Investors Service Limited (“Moody’s”) and “A (high)” by DBRS (Europe) Limited, an affiliate of Dominion Bond Rating Service Limited (“DBRS”). 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 without notice.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”). The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Prospectus, see “Subscription and Sale”.

The Notes will be issued in registered form in the denomination of £50,000 and integral multiples of £1,000 in excess thereof. The Notes will be represented by a global certificate in registered form (the “Global Note”) registered in the name of Citivic Nominees Limited as nominee for Citibank, N.A. as common depositary for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) on or about the Closing Date. Individual note certificates (“Note Certificates”) evidencing holdings of Notes will be available only in certain limited circumstances described under “Summary of Provisions Relating to the Notes while in Global Form”.

Barclays Capital

JPMorgan

UBS Investment Bank

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes 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 Prospectus, including the information incorporated by reference herein, and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

Economic activity in Norway

The Issuer's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence, employment trends, the state of the economy and market interest rates at the time. As the Issuer currently conducts the majority of its business in Norway, its performance is influenced by the level and cyclical nature of business activity in Norway, which is in turn affected by both domestic and international economic and political events. There can be no assurance that a weakening in the economy of Norway will not have an adverse effect on the Issuer's future results.

Business risk factors

As a result of its business activities, the Issuer is exposed to a variety of risks, the most significant of which are credit risk, market risk, operational risk and liquidity risk. Failure to control these risks could result in adverse effects on the Issuer's financial performance and reputation.

Credit risk

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties or a general deterioration in Norwegian, United States, European or global economic conditions, or arising from systematic risks in the financial systems, could affect the recoverability and value of the Issuer's assets and require an increase in the Issuer's provision for bad and doubtful debts and other provisions.

Market risk

The most significant market risks the Issuer faces are interest rate, foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Changes in currency rates, particularly in the Norwegian kroner-U.S. dollar and Norwegian kroner-euro exchange rates, affect the value of assets and liabilities denominated in foreign currencies, and may affect income from foreign exchange dealing. The performance of financial markets may cause changes in the value of the Issuer's investment and trading portfolios. The Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed, and exposures are constantly measured and monitored. However, it is difficult to predict changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance and business operations.

Operational risk

The Issuer's businesses are dependent on its ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of external systems, for example those of the Issuer's suppliers or counterparties. Although the Issuer has implemented risk controls and loss mitigation actions, and

substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures which are fully effective in controlling each of the operational risks.

Liquidity risk

The inability of the Issuer to anticipate and provide for unforeseen decreases or changes in funding sources could have adverse consequences on the Issuer's ability to meet its obligations when they fall due.

Impact of regulatory changes

The Issuer is subject to financial services laws, regulations, administrative actions and policies in Norway and in each other jurisdiction in which the Issuer carries on business. Changes in supervision and regulation, in particular in Norway, could materially affect the Issuer's business, the products and services offered or the value of its assets. Although the Issuer works closely with its regulators and continually monitors the situation, future changes in regulation, or in fiscal or other policies, can be unpredictable and are beyond the control of the Issuer.

Factors which are material for the purpose of assessing the market risks associated with the Notes

In making an investment decision, potential investors should carefully consider the merits and risks of an investment in the Notes. In particular, potential investors should be aware of the following:

The Notes are deeply subordinated obligations

The Notes are unsecured, deeply subordinated obligations of the Issuer and are currently the most junior debt instruments of the Issuer, ranking behind claims of depositors of the Issuer, other unsubordinated and subordinated creditors of the Issuer, *pari passu* with Parity Tier 1 Securities (as defined in Condition 3 of the "Terms and Conditions of the Notes") and currently ranking in priority only to all classes of share capital of the Issuer. Consequently, if the Issuer's financial condition were to deteriorate, Noteholders could suffer direct and materially adverse consequences, including non-payment of non-cumulative interest or conversion of such interest or principal into conditional capital contributions. If the Issuer were liquidated (whether voluntarily or involuntarily), Noteholders could lose their entire investment.

Restrictions on interest payments

Payments of interest on any Interest Payment Date (as defined in Condition 5 of the "Terms and Conditions of the Notes") may not exceed Available Distributable Funds (also as defined in Condition 5 of the "Terms and Conditions of the Notes"). To the extent that, on any Interest Payment Date, Available Distributable Funds are insufficient to pay all accrued but unpaid interest under the Notes and any Parity Tier 1 Securities (in each case falling due on that Interest Payment Date), the Issuer will make partial payment of all accrued but unpaid interest under the Notes and such Parity Tier 1 Securities *pro rata* to the extent of such Available Distributable Funds. Additionally, interest payments may not be made at any time that the Issuer's Tier 1 Capital (as defined in Condition 3 of the "Terms and Conditions of the Notes") ratio or total regulatory capital ratio is below, or following such payment of interest would be below, the then current minimum regulatory capital requirement applicable to the Issuer plus a margin of 0.2 per cent. The interest payment provisions of the Notes are non-cumulative. Thus, any interest not paid as a result of these restrictions will be lost and the Issuer will have no obligation to make payment of such interest or to pay interest thereon. Furthermore, if the Issuer is prohibited from paying interest on the Notes by virtue of non-compliance with its regulatory capital ratios (plus applicable margin) as described above, there is no restriction in the Terms and Conditions prohibiting the Issuer from paying a dividend to its shareholders should it have Available Distributable Funds available for such purpose.

Conversion into conditional capital contributions; write down of principal

In the event of a Trigger Event (as defined in Condition 3 of the "Terms and Conditions of the Notes"), the Issuer or Kredittilsynet may resolve that any accrued interest and the principal amount in respect of the Notes (or part thereof, as the case may be) should be made available to restore the Issuer's regulatory capital through a write down first of any accrued interest and then, to the extent that the amount of accrued interest so written down is not sufficient to cure a Trigger Event, principal in respect of the Notes to cure the Trigger Event and thereafter through a conversion of such aggregate amount into a conditional capital contribution. Any such write down will occur on a proportionate basis with the share capital of the Issuer, any Parity Tier 1 Securities and any

obligations of the Issuer ranking or expressed to rank junior to the Notes. Interest will not accrue on the converted amount.

Recapitalisation

The principal amount of the Notes shall be reduced to zero and the rights of the holders of the Notes to payment of principal and any other amounts, including premium (if any) and interest due in respect of the Notes, will be irrevocably cancelled upon the occurrence of all of the following events:

- (i) the share capital and reserves of the Issuer shall have been reduced to zero, the share capital shall have been cancelled by order of Kredittilsynet or pursuant to a resolution of the Issuer's shareholders, and the rights of holders of such share capital have been lost; and
- (ii) following the event described in (i) above, sufficient share and/or other capital of the Issuer shall have been subscribed so as to enable the Issuer to comply with solvency requirements set by Kredittilsynet and continue operations as a bank under the laws of Norway.

As a result, Noteholders could lose their entire investment following a recapitalisation of the Issuer.

Regulatory write down of share capital and subordinated loans

The Norwegian Act on Guarantee Schemes for Banks and Public Administration of Financial Institutions No. 75 of 6 December 1996, as amended (the "Guarantee Schemes Act") places a duty on the board of directors and the chief executive officer of a financial institution (such as the Issuer) to report to Kredittilsynet if they have reason to be concerned that: (i) the financial institution may become unable to meet its liabilities as they fall due; (ii) the financial institution will become unable to comply with capital adequacy requirements or other requirements as to solvency pursuant to law; or (iii) circumstances have arisen which may result in a serious lack of confidence or loss which may materially weaken or threaten the solvency of the financial institution.

If Kredittilsynet receives such a report or it has reason to believe that such report should have been sent to it, Kredittilsynet shall, in consultation with the financial institution, consider relevant measures to remedy the situation and require the financial institution to enforce such remedy. If the financial institution fails to carry out such measures, Kredittilsynet may *inter alia* impose restrictions on the business and operations of the financial institution and request that the board of directors of the financial institution immediately prepare updated audited accounts.

If such audited accounts show that a material part of the equity has been lost after the date of the latest annual accounts or more than 25 per cent. of the share capital of the financial institution is lost, the financial institution shall give notice for an extraordinary general meeting of shareholders. Such general meeting shall resolve whether the financial institution has an adequate financial basis for further trading and whether the trading shall be continued. The resolution must be approved by Kredittilsynet. If the general meeting does not resolve that the trading shall be continued, it must either resolve to sell the business or to liquidate the business.

If such audited accounts show that 75 per cent. or more of the share capital has been lost, the board of directors shall call a general meeting of shareholders to resolve to write off such proportion of share capital as may be necessary to cover losses appearing in the updated audited accounts. If the general meeting of shareholders fails to pass such resolution within such time as may be specified by Kredittilsynet, the Ministry of Finance may resolve that the share capital shall be written off to the extent that the updated audited accounts show that it is lost. The Ministry of Finance is also authorised to carry out a recapitalisation of the institution.

The above provisions of the Guarantee Schemes Act apply equally to subordinated loans if the updated audited accounts show that a substantial part of the subordinated loans is lost, unless the relevant loan agreement does not entitle the financial institution to such write off. Subordinated loans entered into after the Guarantee Schemes Act came into force and which have a maturity of more than five years, including the Notes, may be written off as set out above even if the relevant loan agreement does not contain any provision to that effect. However such subordinated loans, including the Notes, would only be written down pursuant to the Guarantee Schemes Act in the event that the share capital of the company had already been fully written down.

Public administration

Banks and financial holding companies in Norway are not subject to the normal bankruptcy regulations, but are subject to the Guarantee Schemes Act.

A bank (such as the Issuer) may be placed under public administration by the Ministry of Finance if (i) it is unable to meet its liabilities as they fall due and an adequate financial basis for further trading cannot be secured, or (ii) it is unable to comply with capital adequacy requirements and the Ministry of Finance will not waive such compliance.

A public administration proceeding may result in the dissolution of the financial institution. The financial institution may also be authorised by the Ministry of Finance to resume operations after, if necessary, a financial restructuring. In either case, liabilities will be met in the following order of priority: (i) administrative costs and expenses and other claims of similar nature, (ii) claims with a payment priority by virtue of law, (iii) claims of depositors and other ordinary creditors, (iv) interest accrued after the date on which the financial institution was placed under public administration on claims of depositors, ordinary creditors and creditors with a payment priority by virtue of law, (v) a portion of each non-interest bearing claim equal to 10 per cent. per annum of such claim calculated from the day the financial institution was placed under public administration until maturity, (vi) certain discounts, (vii) claims in respect of obligations (including the Notes) which according to their terms shall be subordinated to claims of other creditors, (viii) certain other subordinated obligations, and (ix) shareholders' claims for repayment of shareholders' equity.

Early redemption of the Notes

Although the Notes have no express maturity date, they may be redeemed as set out below.

On 29 March 2017, or on any Interest Payment Date thereafter, the Issuer will have the right, subject to the prior approval of Kredittilsynet, to redeem the Notes at a redemption amount equal to the original principal amount, together with accrued interest calculated as provided in Condition 7(6) of the "Terms and Conditions of the Notes".

The Issuer will have the right, upon the occurrence of either a Tax Event falling under (B) in such defined term or a Capital Event (each as defined in Condition 7(3) of the "Terms and Conditions of the Notes") and subject to the prior approval of Kredittilsynet, to redeem the Notes prior to 29 March 2017 at a redemption amount equal to the original principal amount or, if higher, the Make Whole Redemption Price (as defined in Condition 7(7) of the "Terms and Conditions of the Notes"), in either case together with accrued interest calculated as provided in that Condition.

In addition, the Issuer will have the right, upon the occurrence of a Tax Event falling under (A) or (C) in such defined term and subject to the prior approval of Kredittilsynet, to redeem the Notes prior to 29 March 2017 at a redemption amount equal to the original principal amount, together with accrued interest calculated as provided in Condition 7(7) of the "Terms and Conditions of the Notes".

There can therefore be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Notes.

No voting rights

The Notes are non voting.

No prior market in the Notes

Although application has been made to list the Notes on the Luxembourg Stock Exchange, there can be no assurance regarding the future development of a market for the Notes, or the ability of Noteholders to sell their Notes, or the price at which such Noteholders may be able to sell their Notes. If a market for the Notes were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's and/or the Group's (as defined in "Business Description") results of operations, changes in market and economic conditions, the market for similar securities and other factors that generally influence the market price of securities. There can be no assurance as to the liquidity of any trading market for the Notes or that an active market for the Notes will develop.

The Notes may not be a suitable investment for all investors

Purchasing the Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial

circumstances, financial condition and investment objectives, all the information set forth and incorporated by reference herein.

Investment in the Notes is only suitable for investors who:

- (i) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained herein and the merits and risks of an investment in the Notes in the context of such investors' financial positions and circumstances;
- (ii) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time; and
- (iii) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

Further, each prospective purchaser of the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (a) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's/beneficiaries') financial needs, objectives and condition; (b) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity); and (c) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary/beneficiaries), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modifications and amendments

The Fiscal Agency Agreement (as defined in "Terms and Conditions of the Notes") contains provisions for convening meetings of Noteholders to consider any matters affecting their interests including the sanctioning by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of a modification of the Notes or the provisions of the Fiscal Agency Agreement. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Notes may be amended without the consent of the Noteholders to (i) cure any ambiguity, (ii) correct or supplement any provision of the Notes that may be defective or inconsistent with any other provision of the Notes or (iii) modify any provision to such extent as may be necessary or desirable, provided that no such amendment shall have a material adverse effect on the rights, preferences or privileges of the Noteholders.

Change of law

The Fiscal Agency Agreement and the Terms and Conditions of the Notes are governed by, and shall be construed in accordance with, English law except for the provisions of Conditions 2, 3 and those of Condition 5 under the captions "Interest accruing after the due date for redemption in certain circumstances" and "Sufficiency of Available Distributable Funds and interest payment restriction" which are governed by, and shall be construed in accordance with, Norwegian law. No assurance can be given as to the impact of any possible judicial decision or change to English law, Norwegian law or administrative practice after the date of issue of the Notes.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Exchange rate risks and exchange controls

The Issuer will pay principal, premium (if any) and interest on the Notes in pounds sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a different currency or currency unit (the "Investor's Currency"). These include the risk that exchange rates may significantly change (including changes due to devaluation of the pound sterling 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 pound sterling would decrease (i) the Investor's

Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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.

Interest rate risks

Prior to 29 March 2017, the Notes will accrue interest at a fixed rate. Investment in fixed rate instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments.

Credit ratings may not reflect all risks

The Notes are expected to be rated "A2" by Moody's, "A-" by Standard & Poor's and "A (high)" by DBRS. 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 without notice. Similar ratings on different types of securities do not necessarily mean the same thing. The aforementioned ratings do not address the likelihood that the principal on the Notes will be prepaid on any particular date. The ratings do not address the marketability of the Notes or any market price. Any change in the credit ratings of the Notes or the Issuer could adversely affect the price that a subsequent purchaser will be willing to pay for the Notes. The significance of each rating should be evaluated independently of any other rating. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

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 (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

IMPORTANT INFORMATION

This Prospectus comprises a prospectus for the purposes of Article 5.3 of the Prospectus Directive. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

No dealer, sales person or other individual has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Lead Managers (as defined under “Subscription and Sale”). Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that the information contained herein is correct as of any time after its date.

This Prospectus does not constitute an offer by, or an invitation by or on behalf of, the Issuer, the Lead Managers or any of their respective directors, officers and affiliates to subscribe for or purchase any of the Notes. Each purchaser of the Notes must comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Prospectus and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Lead Managers and their respective directors, officers and affiliates to inform themselves about and to observe any such restrictions. None of the Issuer, the Lead Managers and any of their respective directors, officers or affiliates has any responsibility therefor.

For a further description of certain restrictions on offers and sales of the Notes and on the distribution of this Prospectus, see “Subscription and Sale”.

No representation or warranty, express or implied, is made by the Lead Managers as to the accuracy or completeness of the information set forth in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation, whether as to the past or the future. None of the Lead Managers assumes any responsibility for the accuracy or completeness of the information set forth in this Prospectus. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the obligations of the Issuer and of the creditworthiness of the Issuer, as well as its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors that may be relevant to it in connection with such investment.

Distribution of this Prospectus to any person other than the intended recipient is unauthorised. Each prospective purchaser of the Notes, by accepting delivery of this document, agrees to the foregoing.

In this Prospectus, references to “NOK”, “Norwegian kroner” or “kroner” are to the currency of Norway, references to “euro” and “€” are to the single currency of those member states of the European Union participating in the European Monetary Union from time to time and references to “pounds”, “sterling” and “£” are to the currency of the United Kingdom of Great Britain and Northern Ireland. Except as otherwise noted, all interest rates are on a per annum basis.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of the Notes, UBS Limited (the “Stabilisation Manager”) or any person acting on behalf of the Stabilisation Manager may over-allot Notes (provided that the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the Notes) or effect transactions with a view to supporting the market price of the Notes at a level

higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilising action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

FORWARD-LOOKING STATEMENTS

This Prospectus includes “forward-looking” statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Issuer’s financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the competitive nature of the banking business in Norway; credit and other risks of lending; volatility in Norwegian and international equity markets; government regulation and tax matters; the outcome of legal or regulatory disputes and proceedings; and changes in Norwegian economic conditions, political events, interest rates, exchange rates and inflation. These forward-looking statements speak only as of the date of this Prospectus. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the audited consolidated and non-consolidated annual financial statements of the Issuer for each of the financial years ended 31 December 2004 and 31 December 2005, prepared in accordance with generally accepted accounting principles in Norway (which differ in certain respects from generally accepted accounting principles in certain other countries), comprising the information set out at the following pages of the Issuer's 'Annual Report 2004' and 'Annual Report 2005', respectively:

	2004	2005
Profit and loss accounts	page 10	page 10
Balance sheets.....	page 11	page 11
Cashflow statements	page 12	page 12
Accounting policies and explanatory notes.....	page 13-61	page 13-65
Auditors' report.....	page 62	page 66

- (b) for information purposes, the audited consolidated annual financial statements of DnB NOR ASA for the financial year ended 31 December 2004, prepared in accordance with generally accepted accounting principles in Norway, and for the financial year ended 31 December 2005, prepared in accordance with International Financial Reporting Standards ("IFRS"), in each case comprising the information set out at the following pages of DnB NOR ASA's 'Annual Report 2004' and 'Annual Report 2005', respectively:

	2004	2005
Profit and loss accounts	page 66	pages 80* and 82
Balance sheets.....	page 67	pages 81* and 83
Cashflow statements	page 68	page 84
Accounting policies and explanatory notes.....	page 69-113	pages 87-150
Auditors' report.....	page 120	page 158

* including *pro forma* figures

The consolidated profit and loss accounts and balance sheets of DnB NOR ASA for the financial year ended 31 December 2005 include comparable *pro forma* figures for 2004, prepared as if IAS 39 and IFRS 4 had been implemented as of 1 January 2004. Formal comparison figures do not include the effects of the implementation of IAS 39 and IFRS 4, as these standards were not implemented until 1 January 2005.

- (c) the unaudited consolidated and non-consolidated interim financial statements of the Issuer as at, and for the period ended, 30 September 2006, prepared in accordance with generally accepted accounting principles in Norway, comprising the information set out at the following pages of the Issuer's 'Third Quarter Report 2006':

Income statements	pages 6 and 7
Balance sheets	pages 6 and 7
Accounting policies and explanatory notes	pages 8 – 14

- (d) for information purposes, the unaudited consolidated interim financial statements of DnB NOR ASA as at, and for the period ended, 30 September 2006, prepared in accordance with IFRS, comprising the information set out at the following pages of DnB NOR ASA's 'Third Quarter Report 2006':

Income statement	page 8
Balance sheets	page 9
Accounting policies and explanatory notes	pages 13 – 28

Any other information not listed above but contained in such document is incorporated by reference for information purposes only.

The information specified above appearing in such documents shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the Luxembourg Stock Exchange's website at www.bourse.lu and, upon request, free of charge, from the registered office of the Issuer and the specified offices of the Paying and Transfer Agents for the time being in London and Luxembourg.

OVERVIEW OF THE OFFERING

For a more complete description of the terms of the Notes, see “Terms and Conditions of the Notes” and the documents described therein. Capitalised terms used but not otherwise defined in this section shall have the meanings given to them under “Terms and Conditions of the Notes”.

The Issuer	DnB NOR Bank ASA, incorporated as a public limited company under the laws of Norway.
The Notes	£350,000,000 Fixed/Floating Rate Non-cumulative Perpetual Step-up Capital Contribution Securities of the Issuer.
Form and Denomination	Notes will be offered and sold outside the United States to non-U.S. persons in the denomination of £50,000 and integral multiples of £1,000 in excess thereof. The Notes will be represented by a global certificate in registered form (the “Global Note”) registered in the name of Citivic Nominees Limited as nominee for Citibank, N.A., as common depository for Euroclear and Clearstream, Luxembourg. See “Terms and Conditions of the Notes – Form, Denomination, Title and Transfer”.
Issue Date	On or about 31 January 2007.
Issue Price	100 per cent.
Interest	<p>The Notes will initially bear interest at the rate of 6.0116 per cent. per annum from and including the Issue Date to, but excluding, 29 March 2017, payable annually in arrear on 29 December in each year, commencing on 29 December 2007 (each a “Fixed Rate Interest Payment Date”) except that there will be a short first coupon in respect of the period from and including the Issue Date to, but excluding, 29 December 2007 (for the purposes of which, £54.68 shall be payable, subject as provided below, on 29 December 2007 in respect of each £1,000 in principal amount of the Notes, provided that there has been no write down of principal and/or reinstatement of Converted Amounts in accordance with Condition 3) and there will be a short coupon in respect of the period from and including 29 December 2016 to, but excluding, 29 March 2017 (for the purposes of which, £14.82 shall be payable, subject as provided below, on 29 March 2017 in respect of each £1,000 in principal amount of the Notes, provided that there has been no write down of principal and/or reinstatement of Converted Amounts in accordance with Condition 3). From and including 29 March 2017, the Notes will bear interest at a floating rate of interest equal to three-month Sterling LIBOR, as determined by the Fiscal Agent, plus a margin of 1.695 per cent. per annum, payable quarterly in arrear on 29 March, 29 June, 29 September and 29 December in each year (subject to adjustment in accordance with the modified following business day convention), commencing on 29 June 2017 (each a “Floating Rate Interest Payment Date” and any Floating Rate Interest Payment Date or Fixed Rate Interest Payment Date, an “Interest Payment Date”). Payments of interest on any Interest Payment Date may not exceed the Available Distributable Funds and, in any event, will not be made at any time that the Issuer’s Tier 1 Capital ratio or total regulatory capital ratio is below, or following such payment of interest would be below, the then current minimum regulatory capital requirement applicable to the Issuer (currently 4.0 per cent. and 8.0 per cent., respectively) plus a margin of 0.2 per cent.</p> <p>Any interest not paid as a result of the limitation described above will be cancelled and the Issuer will have no obligation to make payment of such unpaid interest or to pay interest on such unpaid interest.</p>

Status

The Notes will constitute unsecured, subordinated debt obligations of the Issuer and shall at all times rank *pari passu* without preference among themselves.

Interest Payments: To the extent the Issuer has Available Distributable Funds on any Interest Payment Date, the rights of Noteholders to payments of interest due in respect of the Notes shall rank in priority to payments to holders of all classes of share capital and any obligation of the Issuer ranking or expressed to rank junior to the Notes.

Liquidation: Except after a recapitalisation as described below, in the event of the liquidation, dissolution, administration or other winding up of the Issuer by way of public administration or otherwise, there shall be payable the original principal amount of the Notes and any other amounts including premium (if any) and interest due in respect of the Notes (whether or not the whole or any part of the principal amount of the Notes has previously been converted into conditional capital contributions as described below). Such amounts shall rank:

- (i) *pari passu* without any preference among themselves;
- (ii) at least *pari passu* with any other outstanding Capital Securities of the Issuer and at least *pari passu* with any other obligations of the Issuer constituting or eligible as constituting Tier 1 Capital;
- (iii) in priority to payments to holders of all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Notes; and
- (iv) junior in right of payment to the payment of any present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer and (c) subordinated creditors of the Issuer in respect of Subordinated Indebtedness other than Capital Securities.

Recapitalisation: Notwithstanding the terms of “Liquidation” above, the principal amount of the Notes shall be reduced to zero and the rights of the holders of the Notes to payment of principal and any other amounts, including premium (if any) and interest due in respect of the Notes, will be irrevocably cancelled upon the occurrence of all of the following events:

- (i) the share capital and reserves of the Issuer shall have been reduced to zero, the share capital shall have been cancelled by order of Kredittilsynet or pursuant to a resolution of the Issuer’s shareholders, and the rights of holders of such share capital have been lost; and
- (ii) following the event described in (i) above, sufficient share and/or other capital of the Issuer shall have been subscribed so as to enable the Issuer to comply with solvency requirements set by Kredittilsynet and continue operations as a bank under the laws of Norway.

Conversion

In the event that either (i) the Issuer’s total regulatory capital ratio falls below 8 per cent.; or (ii) the Issuer’s Tier 1 Capital ratio falls below 5 per cent. (each, a “Trigger Event”), then either the Issuer, pursuant to a resolution passed by a general meeting of the Issuer’s shareholders, or Kredittilsynet in writing, may decide that any Accrued Interest and the principal amount (or part thereof, as the case may be) of each Note will be made available to restore the regulatory capital of the Issuer by first writing down the part or whole of any Accrued Interest on the Notes and then, to the extent that the amount of Accrued Interest so written down is not sufficient

to cure a Trigger Event, by also writing down the part or whole of the principal amount of the Notes to the extent and by the amount (when aggregated with the amount of any Accrued Interest written down) required to cure a Trigger Event and converting such aggregate amount (a “Converted Amount”) into a conditional capital contribution. The rights of the Noteholders in respect of such Converted Amount will thereupon be converted into rights of providers of conditional capital contributions.

Write downs of Accrued Interest and the principal amount of the Notes will occur on a proportionate basis with the share capital of the Issuer, any Parity Tier 1 Securities and any obligations of the Issuer ranking or expressed to rank junior to the Notes.

The principal amount of the Notes and any Accrued Interest (or any part thereof) will be available to restore the regulatory capital of the Issuer and may be converted on one or more occasions.

Interest will not accrue on the Converted Amount but Noteholders may be compensated for loss of interest upon redemption to the extent described in Condition 7(6) and Condition 7(7) of the “Terms and Conditions of the Notes”.

Reinstatement of Converted Amounts

Subject to the availability of Available Distributable Funds, the Issuer undertakes to reinstate all Converted Amounts as Notes upon the occurrence of any of the following events:

- (i) the Issuer or DnB NOR ASA declares or makes a dividend (in the form of cash, stock or another instrument), an interest payment or any other payment on any share capital or any obligations of the Issuer ranking or expressed to rank junior to the Notes; or
- (ii) the Issuer or DnB NOR ASA (as applicable) redeems, repurchases or otherwise acquires any of its respective share capital, or any Parity Tier 1 Securities or any obligations of the Issuer ranking or expressed to rank junior to the Notes or pays or makes available any moneys to a sinking fund or for redemption of any such share capital, Parity Tier 1 Securities or obligations other than as set out in Condition 3 of the “Terms and Conditions of the Notes”.

Redemption

Subject as provided below, on 29 March 2017 or on any Interest Payment Date thereafter, the Issuer may, subject to the prior approval of Kredittilsynet, at its option, having given not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the Notes. In such case, the Issuer shall be bound to redeem the Notes as follows:

- (i) at an amount equal to the original principal amount of the Notes; plus
- (ii) interest accrued for the Interest Period ending on but excluding the Interest Payment Date on which redemption is to occur, calculated as follows: (x) an amount calculated by reference to the original principal amount of the Notes whether or not the actual principal amount of the Notes during such Interest Period has been greater or less than the original principal amount and otherwise calculated in accordance with Condition 5 of the “Terms and Conditions of the Notes”; plus (y) if the actual principal amount of the Notes has been greater than the original principal amount of the Notes for any period (the “Period”) during such Interest Period, an amount calculated by reference to the Period and to the amount by which the actual principal amount of the Notes exceeded the

original principal amount of the Notes and otherwise calculated in accordance with Condition 5 of the “Terms and Conditions of the Notes”, provided that the Issuer shall only be obliged to make such payment of accrued interest if the Issuer would otherwise be obliged to make payment of interest in accordance with Condition 5 of the “Terms and Conditions of the Notes”.

The Notes may also be redeemed by the Issuer as described under “Special Event Redemption” below.

The Issuer shall not redeem the Notes until all Converted Amounts have been reinstated as Notes in full.

All Notes which are redeemed will forthwith be cancelled and accordingly may not be reissued or resold.

Special Event Redemption

Tax Event: The Issuer may, subject to the prior approval of Kredittilsynet, at its option, redeem all (but not some only) of the Notes at any time prior to 29 March 2017, if as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in the laws or treaties (or any regulations thereunder) of Norway or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective or such pronouncement or decision is announced on or after 29 January 2007, there is more than an insubstantial risk that (A) the Issuer is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Notes, (B) the treatment of any of the Issuer’s items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or other governmental charges or (C) the Issuer would be required to pay additional amounts as referred to in Condition 8 of the “Terms and Conditions of the Notes”.

Capital Event: The Issuer may, subject to the prior approval of Kredittilsynet, at its option, redeem all (but not some only) of the Notes at any time prior to 29 March 2017, if the Issuer is advised by Kredittilsynet that the Notes are not eligible for inclusion in the Tier 1 Capital of the Issuer (except as a result of any limitation in the amount of such capital).

Where the Notes are redeemed prior to 29 March 2017:

- (i) upon the occurrence of a Tax Event falling under (A) or (C) above, the redemption amount shall in each case be 100 per cent. of the original principal amount; or
- (ii) upon the occurrence of a Tax Event falling under (B) above or a Capital Event, the redemption amount shall in each case be the Make Whole Redemption Price,

and, in the case of each of (i) and (ii) above, plus the Accrued Interest Amount.

Withholding Tax	All payments of principal, premium (if any) and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties 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 (subject to certain customary exceptions) pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal, premium (if any) and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.
Use of Proceeds	The net proceeds of the issue of the Notes, which are expected to be approximately £348,250,000, will be used by the Issuer for general purposes.
Governing Law	The Notes will be governed by the laws of England, except for the subordination provisions and certain provisions relating to the payment of interest and principal, which will be governed by the laws of Norway. See “Terms and Conditions of the Notes – Governing Law and Submission to Jurisdiction”.
Listing and Admission to Trading	Application has been made to the CSSF for the approval of this Prospectus for the purposes of Article 5.3 of the Prospectus Directive. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.
Ratings	The Notes are rated “A-” by Standard & Poor’s, “A2” by Moody’s and “A (high)” by DBRS. 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 without notice.
Selling Restrictions	The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Prospectus, see “Subscription and Sale”.
Clearing Systems and Settlement	The Notes have been accepted for clearance through the facilities of each of Euroclear and Clearstream, Luxembourg.
Lead Managers	Barclays Bank PLC J.P. Morgan Securities Ltd. UBS Limited
Fiscal Agent	Citibank, N.A.
Paying and Transfer Agents	Citigroup Global Markets Deutschland AG & Co. KGaA Kredietbank S.A. Luxembourgeoise
Registrar	Citigroup Global Markets Deutschland AG & Co. KGaA
Security Codes for the Notes	ISIN: XS0285087358 Common Code: 028508735

TERMS AND CONDITIONS OF THE NOTES

The following (except for provisions in italics) is the text of the “Terms and Conditions of the Notes” substantially in the form in which they will be endorsed on each Note in definitive form (if and to the extent issued). The Terms and Conditions applicable to any Note in global form will differ from the Terms and Conditions which apply to the Notes in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

The £350,000,000 Fixed/Floating Rate Non-cumulative Perpetual Step-up Capital Contribution Securities (the “Notes”) of DnB NOR Bank ASA (the “Issuer”) are issued subject to and with the benefit of a Fiscal Agency Agreement (the “Fiscal Agency Agreement”) to be dated 31 January 2007 (the “Issue Date”) made between the Issuer, Citibank, N.A., as fiscal and principal paying and transfer agent (the “Fiscal Agent”), and each of Citigroup Global Markets Deutschland AG & Co. KGaA and Kredietbank S.A. Luxembourgeoise, as paying and transfer agents (together with the Fiscal Agent, the “Paying and Transfer Agents”, which expression includes any successor and additional paying and transfer agents appointed from time to time in connection with the Notes) and Citigroup Global Markets Deutschland AG & Co. KGaA, as registrar (the “Registrar”, which expression includes any successor registrar appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Fiscal Agency Agreement and are subject to its detailed provisions. Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them. Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the Specified Offices (as defined in the Fiscal Agency Agreement) of each of the Paying and Transfer Agents and the Registrar.

1 Form, Denomination, Title and Transfer

Form and denomination

The Notes are in registered form, without interest coupons attached, and will be offered and sold in minimum denominations of £50,000 or any amount in excess thereof which is an integral multiple of £1,000.

Register

The Registrar will maintain outside the United Kingdom a register (the “Register”) in respect of the Notes in accordance with the provisions of the Fiscal Agency Agreement. In these Conditions, the holder of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “Noteholder” and “holder” shall be construed accordingly. A certificate (each, a “Note Certificate”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

Title

Each Noteholder shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Noteholder.

Transfers

Subject as provided under “Closed periods” and “Regulations concerning transfers and registration” below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed (including any certificates as to compliance with restrictions on transfer included therein), at the Specified Office of the Registrar or any Paying and Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Paying and Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer, provided that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Noteholder are being transferred) the principal amount of the balance of Notes not transferred each equals or exceeds £50,000. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

Registration and delivery of Note Certificates

Within five business days of the surrender of a Note Certificate, the Registrar will register the transfer in question and deliver at its Specified Office new Note Certificate(s) of a like principal amount to the Notes transferred to each relevant Noteholder or (as the case may be) the Specified Office of any Paying and Transfer Agent or (at the request and risk of any such relevant Noteholder) by uninsured first-class mail (airmail if overseas) to the address specified for the purpose by such relevant Noteholder. In this paragraph, “business day” means a day on which banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Paying and Transfer Agent has its Specified Office.

No charge

The transfer of any Notes will be effected without charge by or on behalf of the Issuer, the Registrar or any Paying and Transfer Agent but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Paying and Transfer Agent may require).

Closed periods

Noteholders may not require transfers to be registered during the period of 30 days ending on the due date for any payment of principal, premium (if any) or interest in respect of the Notes.

Regulations concerning transfers and registration

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar and/or any Paying and Transfer Agent to any Noteholder who requests in writing a copy of such regulations. So long as any of the Notes is admitted to trading on the Luxembourg Stock Exchange’s regulated market, a copy of the current regulations will be publicly available at the Specified Office of the Paying and Transfer Agent in Luxembourg during normal business hours.

2 Status and Subordination

General

The Notes constitute unsecured, subordinated debt obligations of the Issuer and shall at all times rank *pari passu* without preference among themselves.

Interest payments

To the extent the Issuer has Available Distributable Funds (as defined in Condition 5) on any Interest Payment Date (as defined in Condition 5), the rights of Noteholders to payments of interest due in respect of the Notes shall rank in priority to payments to holders of all classes of share capital and any obligation of the Issuer ranking or expressed to rank junior to the Notes.

Liquidation

Except after a recapitalisation described under “Recapitalisation” below, in the event of the liquidation, dissolution, administration or other winding up of the Issuer by way of public administration or otherwise, the rights of the Noteholders to payments of the original principal amount of the Notes and any other amounts including premium (if any) and interest due in respect of the Notes (whether or not the whole or any part of the principal amount of the Notes has previously been converted into conditional capital contributions as described below and such conditional capital contributions have not been reinstated as provided below) shall rank:

- (i) *pari passu* without any preference among themselves;
- (ii) at least *pari passu* with any other outstanding Capital Securities (as defined in Condition 3) of the Issuer and at least *pari passu* with any other obligations of the Issuer constituting or eligible as constituting Tier 1 Capital (as defined in Condition 3);
- (iii) in priority to payments to holders of all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Notes; and
- (iv) junior in right of payment to the payment of any present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer and (c) subordinated creditors of the Issuer in respect of Subordinated Indebtedness (as defined in Condition 3) other than Capital Securities.

For the avoidance of doubt, the “original principal amount” of the Notes referred to in this Condition 2 and elsewhere in these Conditions shall be the principal amount of the Notes at the time of the original issue not taking into account any writing down of the principal amount and any reinstatement as Notes of any Converted Amount pursuant to Condition 3.

Recapitalisation

Notwithstanding the terms of “Liquidation” above, the principal amount of the Notes shall be reduced to zero and the rights of the holders of the Notes to payment of principal and any other amounts, including premium (if any) and interest due in respect of the Notes, will be irrevocably cancelled upon the occurrence of all of the following events:

- (i) the share capital and reserves of the Issuer shall have been reduced to zero, the share capital shall have been cancelled by order of Kredittilsynet or pursuant to a resolution of the Issuer’s shareholders, and the rights of holders of such share capital have been lost; and
- (ii) following the event described in (i) above, sufficient share and/or other capital of the Issuer shall have been subscribed so as to enable the Issuer to comply with solvency requirements set by Kredittilsynet and continue operations as a bank under the laws of the Kingdom of Norway (“Norway”).

For the purposes of these Conditions, “Kredittilsynet” means the Financial Supervisory Authority of Norway (or any successor thereto).

Set-off

No Noteholder or provider of any conditional capital contribution under the Notes shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes or conditional capital contributions held or provided by such Noteholder.

Issuance of further Capital Securities

The Issuer reserves the right to issue other Capital Securities in the future; provided, however, that any such obligations may not in the event of liquidation, dissolution, administration or other winding up of the Issuer by way of public administration or otherwise rank in priority to the Notes.

3 Conversion

Write down

In the event that either (i) the Issuer’s total regulatory capital ratio falls below 8 per cent. or (ii) the Issuer’s Tier 1 Capital ratio falls below 5 per cent. (each, a “Trigger Event”), then either the Issuer, pursuant to a resolution passed by a general meeting of the Issuer’s shareholders, or Kredittilsynet in writing, may decide that any Accrued Interest (as defined below) and the principal amount (or part thereof, as the case may be) of each Note will be made available to restore the regulatory capital of the Issuer by first writing down the part or whole of any Accrued Interest on the Notes and then, to the extent that the amount of Accrued Interest so written down is not sufficient to cure a Trigger Event, by also writing down the part or whole of the principal amount of the Notes to the extent and by the amount (when aggregated with the amount of any Accrued Interest written down) required to cure a Trigger Event and converting such aggregate amount (a “Converted Amount”) into a conditional capital contribution. The rights of the Noteholders in respect of such Converted Amount will thereupon be converted into rights of providers of conditional capital contributions as set out herein.

The principal amount of the Notes and any Accrued Interest (or any part thereof) will be made available to restore the regulatory capital of the Issuer and may be converted as described above on one or more occasions.

Upon conversion of a Converted Amount into a conditional capital contribution, the Issuer shall give notice to the Noteholders in accordance with Condition 14.

The Notes and any Accrued Interest may only be written down on a proportionate basis with the share capital of the Issuer, any Parity Tier 1 Securities and any obligations of the Issuer ranking or expressed to rank junior to the Notes. In addition, where pursuant to this Condition 3, writing down and conversion applies to part only of either any Accrued Interest on or the principal amount of the Notes, the part of such Accrued Interest on or principal amount of each Note to be subject to such writing down and conversion shall bear the same proportion to the total amount of such Accrued Interest or principal amount in respect of such Note as the aggregate amount of such

Accrued Interest on or principal amount of all the Notes to be subject to such writing down and conversion bears to the aggregate Accrued Interest on or aggregate outstanding principal amount of all the Notes, respectively. Any reinstatement as provided below will be made on the same basis.

Interest will not accrue on the Converted Amount but Noteholders may be compensated for loss of interest upon redemption to the extent described in Condition 7(6) and Condition 7(7).

Reinstatement of Converted Amounts

The Issuer undertakes to reinstate all Converted Amounts as Notes upon the occurrence of any of the following events:

- (i) the Issuer or DnB NOR ASA declares or makes a dividend (in the form of cash, stock or another instrument), an interest payment or any other payment on any share capital or any obligations of the Issuer ranking or expressed to rank junior to the Notes; or
- (ii) the Issuer or DnB NOR ASA (as applicable) redeems, repurchases or otherwise acquires any share capital of the Issuer or DnB NOR ASA, or any Parity Tier 1 Securities or any obligations of the Issuer ranking or expressed to rank junior to the Notes or pays or makes available any moneys to a sinking fund or for redemption of any such share capital, Parity Tier 1 Securities or any obligations of the Issuer ranking or expressed to rank junior to the Notes, other than (a) by conversion into or in exchange for ordinary shares, (b) in connection with transactions effected by or for the account of customers of the Issuer or DnB NOR ASA in connection with the distribution, trading or market making in respect of those securities, (c) in connection with the satisfaction by the Issuer or DnB NOR ASA of its respective obligations under any existing or future employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants of DnB NOR ASA or any of its subsidiaries, (d) as a result of a reclassification of the capital stock of the Issuer or DnB NOR ASA or the exchange or conversion of one class or series of capital stock for another class or series of capital stock or the security being converted or exchanged or (e) DnB NOR ASA acquiring additional share capital of the Issuer.

If and to the extent that any Converted Amount (whether it was previously accrued but unpaid interest on a Note or the principal amount of the Note) has been reinstated as a Note, such amount shall be reinstated as principal (notwithstanding that, in the former case, it was previously accrued but unpaid interest) and shall be added to the principal amount of such Note for all purposes thereafter (and references to “principal” and “principal amount” (but not references to “original principal amount”) shall be construed accordingly) and interest shall start to accrue on such amount and become payable in accordance with the terms of the Notes as from the date of such reinstatement.

Reinstatement (in whole or in part) as a Note of the Converted Amount may only be made out of Available Distributable Funds of the Issuer according to the Issuer’s most recently adopted audited balance sheet at the time of such reinstatement and subject to a resolution of the Board of Directors of the Issuer. Reinstatement shall first be made in respect of perpetual/undated subordinated debt (other than Capital Securities) issued by the Issuer that may have been converted into conditional capital contributions and shall only be made in respect of Capital Securities if at the time no Trigger Event exists.

Reinstatement as a Note of the Converted Amount shall be made *pro rata* with any amounts converted in respect of Parity Tier 1 Securities. For the avoidance of doubt, amounts converted in respect of Capital Securities ranking or expressed to rank junior to the Notes shall be reinstated as Capital Securities with the same status they had prior to their conversion only after the Converted Amount (and any other amounts converted in respect of the Notes and other Parity Tier 1 Securities) has been so reinstated as a Note.

Upon reinstatement of a Converted Amount as a Note as described above, the Issuer shall give notice to holders in accordance with Condition 14.

Additional definitions

For the purposes of these Conditions:

“Accrued Interest” means, in respect of the Notes, interest accrued from the immediately preceding Interest Payment Date or, if the conversion as described above occurs prior to the first Interest Payment Date, the Issue Date, to the time of such conversion.

“Capital Securities” means any subordinated and undated debt instruments of the Issuer which are recognised as Tier 1 Capital from time to time by Kredittilsynet including, where the context so requires, the Notes.

“Parity Tier 1 Securities” means any securities (whether in debt or equity form), including Capital Securities, which are Tier 1 Capital of the Issuer and which rank *pari passu* with the Notes on a liquidation, dissolution, administration or other winding up of the Issuer, by way of public administration or otherwise.

“Subordinated Indebtedness” means any obligation, whether dated or undated, of the Issuer which by its terms is, or is expressed to be, subordinated in the event of liquidation, dissolution, administration or other winding up of the Issuer, by way of public administration or otherwise, to the claims of depositors and all other unsubordinated creditors of the Issuer.

“Tier 1 Capital” means capital which is treated as issued Tier 1 capital by Kredittilsynet or any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a subsidiary of the Issuer which constitutes Tier 1 Capital.

4 Liquidation

Except after a recapitalisation as described in Condition 2, upon commencement of proceedings to liquidate, dissolve, place under administration or otherwise wind up the Issuer, there shall be payable by the Issuer in respect of each Note the original principal amount of the Notes, together with any Accrued Interest in accordance with the priority of payments set forth in Condition 2.

5 Interest

Rate of interest

- (i) From and including the Issue Date to, but excluding, 29 March 2017, the Notes will bear interest on their principal amount from time to time at the rate of 6.0116 per cent. per annum (the “Fixed Rate of Interest”) payable, subject as provided below, annually in arrear on 29 December in each year, commencing on 29 December 2007, except that (a) there will be a short first coupon in respect of the period from and including the Issue Date to, but excluding, 29 December 2007 (for the purposes of which, £54.68 shall be payable, subject as provided below, on 29 December 2007 in respect of each £1,000 in principal amount of the Notes, provided that there has been no write down of principal and/or reinstatement of Converted Amounts in accordance with Condition 3) and (b) there will be a short coupon in respect of the period from and including 29 December 2016 to, but excluding, 29 March 2017 (for the purposes of which, £14.82 shall be payable, subject as provided below, on 29 March 2017 in respect of each £1,000 in principal amount of the Notes provided that there has been no write down of principal and/or reinstatement of Converted Amounts in accordance with Condition 3).

With respect to Interest Periods (as defined below) commencing on or after 29 March 2017, the Notes will bear interest on their principal amount from time to time at a floating rate per annum equal to 1.695 per cent. above three-month Sterling LIBOR (calculated as described in (ii) below) (the “Floating Rate of Interest”) determined on the first day of the related Interest Period (each, a “Determination Date” for such Interest Period), and payable, subject as provided below, quarterly in arrear on 29 March, 29 June, 29 September and 29 December in each year, commencing on 29 June 2017.

Each date on which interest is payable in accordance with this Condition 5 is referred to as an “Interest Payment Date”. The period from and including the Issue Date to, but excluding, the first Interest Payment Date and each successive period from and including an Interest Payment Date to, but excluding, the next Interest Payment Date is referred to as an “Interest Period”.

If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it 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.

“Business Day” means 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.

“Sterling LIBOR” for a Determination Date means the rate for sterling deposits determined by the Fiscal Agent which appears on the display designated as page LIBOR01 on Reuters Service, or any successor page, as of approximately 11.00 a.m., London time, on the first day of the relevant Interest Period. If that rate is not available on that page, the rate will be determined by the Fiscal Agent based on the arithmetic mean of quotations received from at least four reference banks selected by the Fiscal Agent after consultation with the Issuer.

- (ii) Subject as provided below, whenever it is necessary to compute an amount of interest in respect of any Note for a period that ends prior to 29 March 2017, such interest shall be calculated by applying the Fixed Rate of Interest to the principal amount of such Note (taking into account any adjustment to such amount during such period), multiplying such sum by the Fixed Day Count Fraction and rounding the resultant figure to the nearest penny, half a penny being rounded upwards or otherwise in accordance with applicable market convention. “Fixed Day Count Fraction” means a fraction the numerator of which is the number of days in the relevant period (from and including the date from which interest begins to accrue to, but excluding, the date on which it falls due) and the denominator of which is the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

The Fiscal Agent will, at or as soon as practicable after each time at which the Floating Rate of Interest is to be determined, determine the Floating Rate of Interest for the relevant Interest Period and give notice to holders of Notes in accordance with Condition 14. In respect of each such Interest Period, the Fiscal Agent will calculate the amount of interest (each, an “Interest Amount”) payable in respect of the principal amount of each Note outstanding from time to time. If the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, the Fiscal Agent will notify, or cause to be notified, to such exchange the Floating Rate of Interest, if required to be calculated, the Interest Amount and the Interest Payment Date as soon as possible after their determination. Each Interest Amount shall be calculated by applying the Floating Rate of Interest to the principal amount of each Note (taking into account any adjustment to such amount during such Interest Period), multiplying such sum by the actual number of days in the Interest Period concerned divided by 365 (or, in the case of an Interest Period falling in a leap year, 366), and rounding the resultant figure to the nearest penny, half a penny being rounded upwards or otherwise in accordance with applicable market convention.

Where the Notes are to be redeemed pursuant to Condition 7, accrued interest for the period ending on but excluding the due date of redemption shall be calculated as provided in Condition 7(6) or Condition 7(7), as applicable.

Interest accruing after the due date for redemption in certain circumstances

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day.

Sufficiency of Available Distributable Funds and interest payment restriction

Payments of interest on any Interest Payment Date may not exceed the Available Distributable Funds. To the extent that, on any Interest Payment Date, Available Distributable Funds are insufficient to pay or provide for payment in full of all accrued but unpaid interest under the Notes and any Parity Tier 1 Securities (in each case falling due on that Interest Payment Date), the Issuer will make partial payment of all accrued but unpaid interest under the Notes and such Parity Tier 1 Securities *pro rata* to the extent of such Available Distributable Funds. If, and to the extent that, Available Distributable Funds are insufficient or non-existent and the Issuer makes partial payment of, or does not pay, accrued but unpaid interest, the right of the Noteholders to receive accrued but unpaid interest in respect of the relevant Interest Period will be lost. The Issuer will have no obligation to make such payments of unpaid interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have “accrued” or been earned for any purpose.

Subject to the availability of sufficient Available Distributable Funds, the Issuer covenants that, to the extent any interest payments or payments of additional amounts are made on any Parity Tier 1 Securities, the Issuer will make a *pro rata* payment on the Notes.

In any event, payments of interest on any Interest Payment Date may not be made at any time that the Issuer's Tier 1 Capital ratio or total regulatory capital ratio is below, or following such payment of interest would be below, the then current minimum regulatory capital requirement applicable to the Issuer plus a margin of 0.2 per cent.

If the Issuer deems that it does not have sufficient Available Distributable Funds to pay accrued interest on the Notes on the next Interest Payment Date, the Issuer shall give not less than five days' prior notice to the Noteholders in accordance with Condition 14.

The Issuer is responsible for determining whether it has Available Distributable Funds and, on any occasion when it determines it has insufficient Available Distributable Funds to pay accrued interest on the next Interest Payment Date, it will procure that two of its directors certify this to be the case and a copy of such certificate will be available for inspection at the Specified Office of each Paying and Transfer Agent.

"Available Distributable Funds" means that amount, in respect of the Issuer, which under the laws of Norway is available as of the end of any fiscal year according to the Issuer's latest audited balance sheet adopted at a shareholders' meeting to be distributed by the Issuer, to its shareholders, adjusted for any loss incurred or foreseeable thereafter.

6 Payments

Principal and premium (if any)

Payments of principal and premium (if any) shall be made by sterling cheque drawn on, or, upon application by a holder of a Note to the Specified Office of any Paying and Transfer Agent or the Registrar not later than the fifteenth day before the due date for any such payment, by transfer to a sterling account maintained by the payee with, a bank in London upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificate(s) at the Specified Office of any Paying and Transfer Agent or the Registrar.

Interest

Payments of interest shall be made by sterling cheque drawn on, or, upon application by a holder of a Note to the Specified Office of any Paying and Transfer Agent or the Registrar not later than the fifteenth day before the due date for any such payment, by transfer to a sterling account maintained by the payee with, a bank in London and (in the case only of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificate(s) at the Specified Office of any Paying and Transfer Agent or the Registrar.

Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8, and no commissions or expenses shall be charged to the Noteholders in respect of such payments.

Partial payments

If a Paying and Transfer Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, upon presentation of a Note Certificate at the Specified Office of any Paying and Transfer Agent or the Registrar, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate by such Paying and Transfer Agent or the Registrar.

Record Date

Each payment in respect of a Note will be made to the person shown as the holder in the Register at the opening of business (in the place of the Registrar's Specified Office) on the fifteenth day before the due date for such payment (the "Record Date"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the opening of business on the relevant Record Date.

7 Redemption and Purchase

- (1) The Notes have no fixed maturity date and are only redeemable in accordance with the provisions of this Condition 7.
- (2) Subject as provided in paragraph (8) below, on 29 March 2017, or on any Interest Payment Date thereafter, the Issuer may, subject to the prior approval of Kredittilsynet, at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the Notes at a redemption price determined as provided in paragraph (6) below.
- (3) Subject as provided in paragraph (8) below, upon the occurrence of a Tax Event or Capital Event (each as defined below), the Issuer may, subject to the prior approval of Kredittilsynet, at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the Notes at any time prior to 29 March 2017 at a redemption price determined as provided in paragraph (7) below.

For the purpose of this Condition 7:

“Tax Event” means the receipt by the Issuer of an opinion of external counsel in Norway (experienced in such matters) to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in the laws or treaties (or any regulations thereunder) of Norway or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective or such pronouncement or decision is announced on or after 29 January 2007, there is more than an insubstantial risk that (A) the Issuer is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Notes, (B) the treatment of any of the Issuer's items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or other governmental charges or (C) the Issuer would be required to pay additional amounts as referred to in Condition 8; and

“Capital Event” means the determination by the Issuer (such determination to be evidenced by a certificate signed by two directors of the Issuer and to be binding on the Noteholders without further investigation (copies of such certificate to be available for inspection at the Specified Office of the Fiscal Agent)), having been so advised by Kredittilsynet, that the Notes are not eligible for inclusion in the Tier 1 Capital of the Issuer (except as a result of any limitation in the amount of such capital).

- (4) The Issuer or any of its subsidiaries may (subject to the prior approval of Kredittilsynet) at any time purchase Notes in any manner and at any price. Notes purchased by the Issuer or any of its subsidiaries shall be forthwith cancelled and accordingly may not be reissued or resold.
- (5) All Notes which are redeemed will forthwith be cancelled and accordingly may not be reissued or resold.
- (6) Upon the expiry of any notice referred to in paragraph (2) above, the Issuer shall be bound to redeem the Notes as follows:
 - (i) at an amount equal to the original principal amount of the Notes; plus
 - (ii) interest accrued for the Interest Period ending on but excluding the Interest Payment Date on which redemption is to occur, calculated as follows:
 - (x) an amount calculated by reference to the original principal amount of the Notes whether or not the actual principal amount of the Notes during such Interest Period has been greater or lesser than the original principal amount and otherwise calculated in accordance with Condition 5; plus

- (y) if the actual principal amount of the Notes has been greater than the original principal amount of the Notes for any period (the “Period”) during such Interest Period, an amount calculated by reference to the Period and to the amount by which the actual principal amount of the Notes exceeded the original principal amount of the Notes and otherwise calculated in accordance with Condition 5,

provided that the Issuer shall only be obliged to make the payment of accrued interest as determined pursuant to this paragraph (ii) if the Issuer would otherwise be obliged to make payment of interest in accordance with Condition 5.

- (7) Where the Notes are redeemed prior to 29 March 2017 pursuant to paragraph (3) above:
 - (i) upon the occurrence of a Tax Event falling under (A) or (C) of the definition of Tax Event above, the redemption amount shall in each case be 100 per cent. of the original principal amount; or
 - (ii) upon the occurrence of a Tax Event falling under (B) of the definition of Tax Event above or a Capital Event, the redemption amount shall in each case be the Make Whole Redemption Price (as defined below),

and, in the case of each of (i) and (ii) above, plus the Accrued Interest Amount.

For the purposes of this Condition 7(7), “Accrued Interest Amount” means interest accrued for the period from and including the immediately preceding Interest Payment Date (or, if redemption occurs prior to the first Interest Payment Date, the Issue Date) and ending on but excluding the date on which redemption is to occur, calculated as follows:

- (x) an amount calculated by reference to the original principal amount of the Notes whether or not the actual principal amount of the Notes during such period has been greater or lesser than the original principal amount and otherwise calculated in accordance with Condition 5; plus
- (y) if the actual principal amount of the Notes has been greater than the original principal amount of the Notes for any period (the “Period”) during such first mentioned period, an amount calculated by reference to the Period and to the amount by which the actual principal amount of the Notes exceeded the original principal amount of the Notes and otherwise calculated in accordance with Condition 5,

provided that the Issuer shall only be obliged to pay the Accrued Interest Amount if the Issuer would otherwise be obliged to make payment of interest in accordance with Condition 5.

“Make Whole Redemption Price” means, in respect of each Note:

- (i) the outstanding principal amount of such Note; or
- (ii) if higher, the price expressed as a percentage (rounded to four decimal places, 0.00005 being rounded upwards), at which the Gross Redemption Yield on the Notes on the Reference Date (assuming for this purpose that the Notes are to be redeemed at their original principal amount on 29 March 2017) is equal to the Gross Redemption Yield (determined by reference to the middle market price) at 11.00 a.m. London time on the Reference Date of the Reference Bond plus 0.40 per cent., all as determined by the Calculation Agent.

For purposes of determining the Make Whole Redemption Price, the following definitions shall apply:

“Calculation Agent” means a financial institution of international repute as designated by the Issuer from time to time as required pursuant to these Conditions.

“Gross Redemption Yield” means, with respect to a security, the gross redemption yield on such security (as calculated by the Calculation Agent on the basis set out in the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields” page 4, Section One: Price/Yield Formulae “Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published on 8 June 1998 and updated on 15 January 2002 and as further updated or amended) on an annual compounding basis rounded up (if necessary) to four decimal places)).

“Reference Bond” means the 4.00 per cent. Treasury Stock due 7 September 2016 or, if such stock is no longer in issue, such other United Kingdom government stock in issue on or about the Reference Date and with a maturity date as near as possible to 29 March 2017 as the

Calculation Agent may, with the advice of the Reference Market Makers and in consultation with the Issuer, determine to be appropriate by way of substitution for the 4.00 per cent. Treasury Stock due 7 September 2016.

“Reference Date” means the date which is three dealing days prior to the date fixed for redemption pursuant to Condition 7(3).

“Reference Market Makers” means three brokers or market makers of gilts selected by the Calculation Agent in consultation with the Issuer or such other three persons operating in the gilt-edged market as are selected by the Calculation Agent in consultation with the Issuer.

- (8) The Issuer shall not redeem the Notes until all Converted Amounts have been reinstated as Notes in full.

8 Taxation

All payments of principal, premium (if any) and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties 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 Noteholders after such withholding or deduction shall equal the respective amounts of principal, premium (if any) and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

- (i) in respect of which the Note Certificate representing it is surrendered for payment (in the case of principal and premium (if any) only) (a) in Norway or (b) more than 30 days after the Relevant Date (as defined below) except to the extent that payments to the holder thereof would have been subject to such withholding or deduction and such holder would have been entitled to additional amounts on presenting the same for payment on such thirtieth day;
- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (iii) in respect of which the Note Certificate is surrendered by or on behalf of a holder who would have been able to avoid such withholding or deduction by arranging to receive the relevant payment through another Paying and Transfer Agent in a Member State of the European Union;
- (iv) by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Norway other than the mere holding of such Note or the receipt of the relevant payment in respect thereof; or
- (v) where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the relevant authority.

As used herein:

“Tax Jurisdiction” means Norway or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes generally subject in respect of its income; and

“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 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 Noteholders in accordance with Condition 14.

For the purposes of the foregoing, the Issuer undertakes that it will maintain a paying and transfer agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive provided that there is such a paying and transfer agent which can be so appointed and its appointment is reasonably practicable in all the circumstances.

9 Events of Default

There are no events of default under the terms of the Notes. A Noteholder is entitled to the full rights and remedies provided under English and Norwegian laws, as applicable, governing the terms of the Notes.

Notwithstanding the absence of any events of default as described in Condition 9, in the event that the Issuer fails to pay principal, premium (if any) or interest when due on any Note, the holders of such Notes shall be entitled to bring proceedings against the Issuer for payment of such amounts.

10 Prescription

Claims for principal and premium (if any) in respect of a Note shall become void unless the relevant Note Certificate is surrendered for payment within 10 years, and claims for interest shall become void unless made within five years, in each case of the appropriate Relevant Date.

11 Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar and/or the Paying and Transfer Agent having its Specified Office in Luxembourg, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

12 Modifications and Amendments

The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider any matters affecting their interests including the sanctioning by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of a modification of the Notes or the provisions of the Fiscal Agency Agreement. Except as provided below, an Extraordinary Resolution may be passed by an affirmative vote by or on behalf of persons holding a majority in principal amount of the Notes whose holders are present or represented at the meeting. The quorum at any such meeting for passing any Extraordinary Resolution will be one or more persons holding or representing in aggregate not less than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjournment of such meeting, one or more persons being Noteholders or representing whatever principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of proposals: (i) to modify the Fixed Rate of Interest, the Floating Rate of Interest and/or the Interest Payment Dates on which such rates are applicable; (ii) to change the currency of payment of the Notes; (iii) to modify the provisions concerning the write down of the Notes and/or reinstatement of Converted Amounts; and/or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for approving such proposals will be one or more persons holding or representing not less than 66 per cent., or at any adjourned such meeting not less than 33 per cent., in principal amount of the Notes for the time being outstanding and such proposals must be approved by an affirmative vote by or on behalf of persons holding 75 per cent. or more in principal amount of the Notes whose holders are present or represented at that meeting. An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders whether or not present at such meeting and on all future Noteholders.

Notwithstanding the first paragraph of this Condition, the Notes may be amended without the consent of the Noteholders to (i) cure any ambiguity, (ii) correct or supplement any provision of the Notes that may be defective or inconsistent with any other provision of the Notes or (iii) modify any provision to such extent as may be necessary or desirable, provided that no such amendment shall have a material adverse effect on the rights, preferences or privileges of the Noteholders.

If any provisions of these Notes are modified, notice thereof will be provided to Noteholders in accordance with Condition 14.

13 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and, without prejudice to the requirements of Condition 2 under the caption

“Issuance of further Capital Securities”, the date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Notes.

14 Notices

Notices to the Noteholders will be sent to them by first-class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. In addition, so long as the Notes are admitted to trading on the Luxembourg Stock Exchange’s regulated market and the rules of that exchange so require, notices to Noteholders will also be published on the date of such mailing either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper of general circulation in Luxembourg (which is expected to be the *d’Wort*) or in such other manner as permitted by the Luxembourg Stock Exchange.

15 Governing Law and Submission to Jurisdiction

The Fiscal Agency Agreement and the Notes are governed by, and shall be construed in accordance with, English law except for the provisions of Conditions 2, 3 and those of Condition 5 under the captions “Interest accruing after the due date for redemption in certain circumstances” and “Sufficiency of Available Distributable Funds and interest payment restriction” which are governed by, and shall be construed in accordance with, the laws of Norway.

The Issuer agrees, for the exclusive benefit of the Fiscal Agent, the Paying and Transfer Agents, the Registrar and the Noteholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Fiscal Agency Agreement and/or the Notes and that accordingly any suit, action or proceedings (together referred to as “Proceedings”) arising out of or in connection with the Fiscal Agency Agreement and the Notes 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 English courts 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 NOR Bank ASA (London Branch) at its registered office for the time being at 20 St Dunstan’s Hill, London EC3R 8HY, England as its agent for service of process, and undertakes that, in the event of DnB NOR Bank ASA (London Branch) ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings and shall forthwith give notice thereof to the Noteholders pursuant to Condition 14.

Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Global Note contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the “Terms and Conditions of the Notes” set out in this Prospectus. The following is a summary of certain of those provisions:

Form of Notes

The Notes will be represented by a global certificate in registered form (the “Global Note”), which will be registered in the name of Citivic Nominees Limited as nominee for, and deposited on or about the Closing Date with, Citibank, N.A., as common depository for, and in respect of, interests held through Euroclear and Clearstream, Luxembourg.

Transfers

Notes represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg.

Accountholders

For so long as any of the Notes is represented by the Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes 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 as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal, premium (if any) or interest on such principal amount of such Notes, for which purpose the registered holder of the Global Note shall be treated by the Issuer as the holder of such principal amount of such Notes in accordance with and subject to the terms of the Global Note, and the expressions “Noteholder” and “holder” and related expressions shall be construed accordingly.

Exchange

The Global Note is exchangeable in whole but not in part (free of charge to the holder) for Notes in definitive form (“Note Certificates”) if the Global Note is held on behalf of one or more clearing systems and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Notices

Notwithstanding Condition 14 of the “Terms and Conditions of the Notes”, so long as the Notes are represented by the Global Note and the Global Note is held on behalf of one or more clearing systems, notices to Noteholders may be given by delivery of the relevant notice to that clearing system or systems, as the case may be, for communication by each such clearing system to entitled accountholders in substitution for delivery as required by the “Terms and Conditions of the Notes”, except that so long as the Notes are admitted to trading on the Luxembourg Stock Exchange’s regulated market and the rules of that Exchange so require, notices to Noteholders will also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper of general circulation in Luxembourg (which is expected to be the *d’Wort*) or in such other manner as permitted by the Luxembourg Stock Exchange.

Meetings

The holder of the Global Note will, at a meeting of Noteholders, have one vote in respect of each £1,000 principal amount of Notes for which the Global Note may be exchanged.

Payments

Payments in respect of Notes represented by the Global Note will be made against presentation for endorsement and, if no further payment of principal, premium (if any) or interest is to be made in respect of the Notes, against presentation and surrender of the Global Note to or to the order of the Registrar by the registered holder. Upon payment of any principal, premium (if any) or interest, the amount so paid shall be endorsed by or on behalf of the Registrar on behalf of the Issuer on the

schedule to the Global Note. The registered holder of the Global Note shall be the only person entitled to receive payments in respect of the Notes whilst represented by the Global Note and the Issuer will be discharged by payment to, or to the order of, the registered holder of the Global Note 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 principal amount of Notes represented by the Global Note 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 registered holder of the Global Note.

Prescription

Claims for principal and premium (if any) in respect of the Global Note shall become void unless the Global Note is surrendered for payment within 10 years, and claims for interest shall become void unless made within five years, in each case of the appropriate Relevant Date (as defined in Condition 8 of the “Terms and Conditions of the Notes”).

Taxation

The provisions of Condition 8 shall apply, *mutatis mutandis*, in respect of Notes represented by a Global Note so that references to Note Certificate shall be deemed to be references to the Global Note.

USE OF PROCEEDS

The net proceeds received by the Issuer from the sale of the Notes, which are expected to be approximately £348,250,000 after deduction of commissions, will be used by the Issuer for general purposes.

BUSINESS DESCRIPTION

Introduction

DnB NOR ASA and its subsidiaries (the “Group” or “DnB NOR”) constitute Norway’s largest financial services group, with total combined assets of approximately NOK 1,630 billion as at 30 September 2006. The Group has more than 2.2 million retail customers, more than 188,000 corporate customers and around 900,000 customers insured in Norway. The Group’s operations are based on more than 180 years’ experience as a supplier of financial services in Norway.

The Group offers a full range of financial services including lending, deposits, life and pension insurance, equity funds, asset management and securities operations as well as real estate broking and credit cards. DnB NOR ASA is an important partner for Norwegian businesses abroad and large international companies in Norway. Among the strong brands included in the Group are DnB NOR, Vital, Nordlandsbanken, Cresco and Postbanken.

The Group has 190 bank branches, 26 investment centres and 60 financial services and business centres. The network also includes Nordlandsbanken’s 17 branches and Postbanken’s distribution network comprising 42 customer service centres, 300 post offices and banking services in 1,200 in-store postal outlets. In addition, the Group has an international network of 11 branches and representative offices, along with subsidiaries in Sweden, Luxembourg, Great Britain, Singapore, the United States, Russia and the Baltic region.

Legal structure

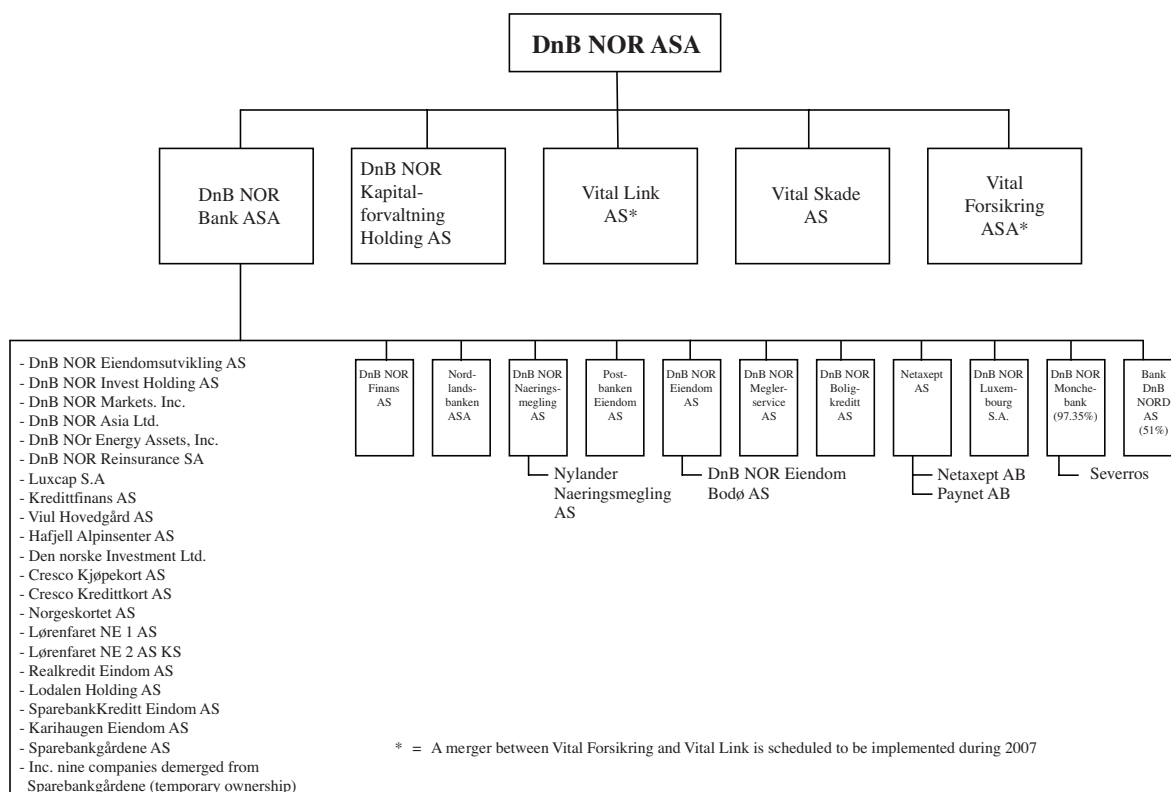
The merger (the “Merger”) between DnB Holding ASA and Gjensidige NOR ASA was registered in the Register of Business Enterprises on 4 December 2003 and the new holding company was renamed DnB NOR ASA. DnB Holding ASA was the acquiring holding company. The two bank subsidiaries, Den norske Bank ASA and Union Bank of Norway ASA, respectively, merged on 19 January 2004. Union Bank of Norway ASA was the acquiring bank. Through various mergers, the Group can trace its roots back to 1822, when Norway’s first savings bank was founded. The new bank was named DnB NOR Bank ASA (the “Issuer” or the “Bank”).

On 10 September 2002, Union Bank of Norway ASA was demutualised from a self-owned institution and incorporated as a public limited company with registration number 984 851 006 under the Norwegian Act on Commercial Banks of 24 May 1961 No. 2 (the “Commercial Banks Act”).

The registered office of the Issuer is at Stranden 21, NO-0021, Oslo, Norway and its telephone number is +47 915 03000.

A number of subsidiaries of the two former groups merged during 2004, the most important being the two life insurance companies, Vital Forsikring ASA and Gjensidige NOR Spareforsikring ASA, merging on 9 March 2004 under the name Vital Forsikring ASA. All sales of subsidiaries required by the authorities in connection with the merger concession have now been finalised.

Currently, the Group has the following legal structure (major companies):



Strategy

The Bank is the main unit in DnB NOR, and the Bank's strategy is thus clearly co-ordinated with the Group's overall strategy.

DnB NOR has the largest customer base in the Norwegian financial market and is a leader in most market segments. This market position provides a sound basis for generating further growth by developing and strengthening customer relationships. The business idea reflects DnB NOR's ambitions: to meet customers' needs for financial solutions and offer a full range of services whilst still maintaining a local presence.

DnB NOR aims to be its customers' best financial partner and to meet their needs for financial solutions.

In the corporate and retail customer segments, work is in progress to further develop service concepts and a product range well-adapted to meet individual customer needs. Improved advisory services and decision-making as close as possible to the customer are important aspects of the strategy. DnB NOR's various business areas work in close co-operation to offer customers good financial solutions at all times. DnB NOR must develop new products and services in step with the needs of the market. It is essential to offer solutions that bring convenience to the everyday lives of customers. Both internal and external communication should be open, honest and easy to understand.

The Group's international growth will be based on comparative advantages in the form of either competence within various customer segments and industries, special product expertise or established relationships where it is logical to accompany customers expanding outside Norway.

DnB NOR is the preferred partner for international customers doing business in Norway.

DnB NOR believes it has a strong position within asset management in the Nordic region, and Sweden is defined as part of the Group's home market.

The Group believes it holds a leading position within international shipping. DnB NOR also has strong expertise and an international presence in other sectors, such as energy and fisheries. The purchase of the Russian bank Monchebank in 2005 headquartered in Murmansk, an area with a high level of activity in the energy, fisheries and shipping sectors, is in line with DnB NOR's stated international strategy.

The Baltic states and Poland are important markets experiencing strong growth, and an increasing number of DnB NOR's customers are establishing operations in this area. DnB NOR, which is owned 51 per cent. by DnB NOR and 49 per cent. by NORD/LB, has strong operations in this area with a position, in terms of total assets, as the third largest bank in Lithuania (*source: Association of Lithuanian banks*) and the fourth largest in Latvia (*source: Association of Latvian Commercial banks*).

A common value base and culture are prerequisites for creating a uniform DnB NOR image in the market. The Group's shared values, team spirit, simplicity and value creation, describe what should distinguish the organisation and work processes both internally and in relation to customers. The Group's strategic platform forms the foundation and under the heading "This is the way we do things", units throughout the Group have defined what the Group's business idea and values mean for each unit and employee. These values are also reflected in the leadership principles and in how the Group's brands are projected in the market.

The financial targets reflect the aim to create shareholder value. The Group seeks to achieve a return on equity and share price increases that are competitive in a Nordic context. The specific long-term targets are:

- A return on equity above 15 per cent.
- A cost/income ratio below 50 per cent. by 2008
- The Group's equity will be structured to ensure that core capital excluding hybrid securities exceeds 4.25 per cent. of risk-weighted assets, with the addition of a capital buffer for solvency targets, which is linked to the Group's model for measuring risk-adjusted capital
- Approximately 50 per cent. of annual profits should be distributed as dividends, provided that capital adequacy remains at a satisfactory level. Dividends will be determined on the basis of expected profit levels in a normal market situation, external factors and the Group's need for core capital
- DnB NOR Bank ASA's ratings for ordinary long-term debt should be maintained at an Aa level according to Moody's rating.

Recent developments

On 22 December 2006, DnB NOR announced that it had signed an agreement to acquire a total of 76.3 per cent. of BISE Bank in Poland through its partially-owned subsidiary Bank DnB NORD AS. This will result in a twofold increase in operations in the Polish market.

Business areas

The activities of the Group are organised into five functional business areas – Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets, Vital and DnB NOR Asset Management, in addition to staff and support units. In addition, DnB NORD is followed up as a separate profit centre. As independent profit centres, the business areas carry responsibility for customer segments served by the Group, as well as the products offered.

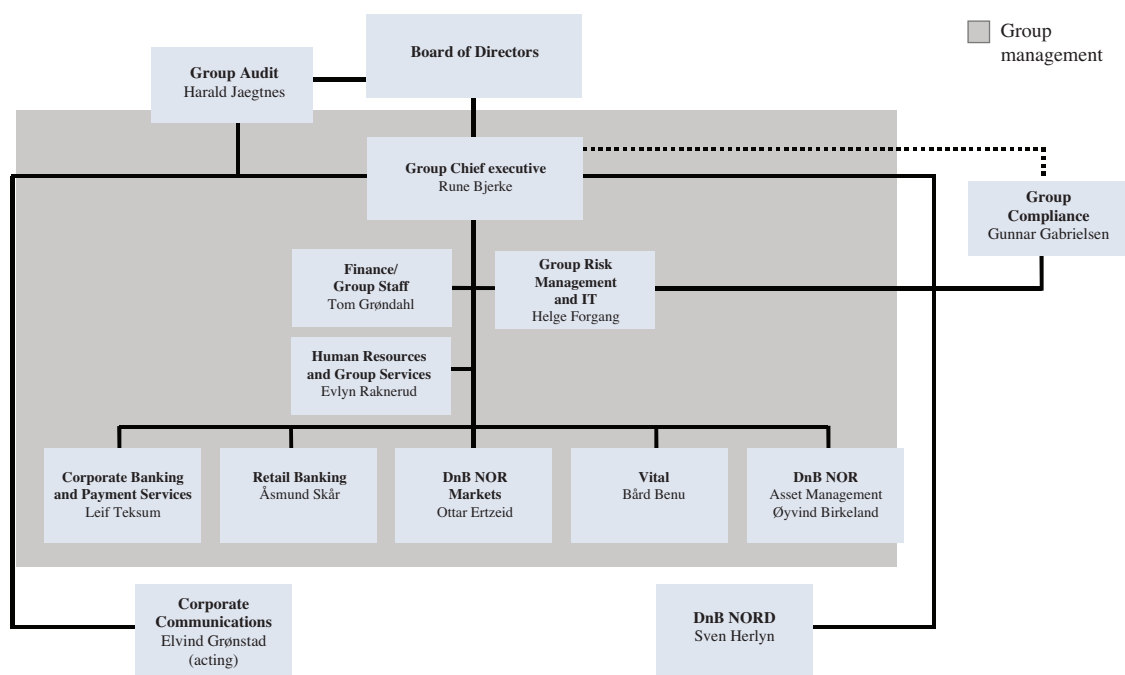
The functional structure of DnB NOR ASA deviates from its legal structure as activities in subsidiaries fall in under the business area relevant to the company's primary operations.

Figures relating to market shares below have, where specified, been calculated using market data provided by Norges Bank, the Central Bank of Norway, published on its website at www.norgesbank.no. DnB NOR confirms that such information has been accurately reproduced and that, so far as DnB NOR is aware, and is able to ascertain from the information provided by Norges Bank, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Financial targets

Differentiated financial and non-financial requirements have been set for the business areas which in combination will help the Group reach its financial targets. Return on risk-adjusted capital is the key ratio for the business areas, representing each area's profits after taxes relative to the need for risk-adjusted capital. The need for risk-adjusted capital is based on the risk involved in operations in accordance with DnB NOR's total risk model.

DnB NOR Group – organisation chart at 1 January 2007



Corporate Banking and Payment Services

Corporate Banking and Payment Services offers customers a broad range of financial services, including lending, bond issues, syndicated loans, deposits, cash management, eCommerce products, commercial real estate broking services, FX/treasury products, corporate finance and acquisition finance, either directly or in co-operation with DnB NOR Markets.

Corporate Banking and Payment Services serves Norwegian enterprises in all segments, Swedish medium-sized and large corporate and international businesses where DnB NOR has or can build up, alone or in co-operation with partners, a competitive advantage based on relationships, expertise or products. Norway and Sweden are the prime targets for market activities and growth. Corporate Banking and Payment Services also offers international services to shipping and energy clients around the globe. Through DnB NOR Markets Inc. in the US, DnB NOR offers investment banking services, including mergers and acquisitions and advisory services, to international clients, particularly in the shipping and energy sectors. Further international expansion will come within shipping, energy and certain other sectors where competitive advantages and a substantial knowledge base provide growth potential.

Corporate Banking and Payment Services aims to be the customers' best partner, meeting their needs for financing solutions throughout the Norwegian and Swedish markets and in selected areas in international markets.

Corporate Banking and Payment Services is organised in 10 divisions and two subsidiaries; DnB NOR Finans and Nordlandsbanken. Customers are served through central customer service departments, 60 financial services and business centres and 190 regional offices in Norway, as well as through the bank's telephone and internet banks. In addition, Corporate Banking in Nordlandsbanken serves businesses and the public sector in the county of Nordland. Monchebank, headquartered in Murmansk, Russia, is a part of Corporate Banking and Payment Services. Monchebank is a regional bank that serves corporate and retail customers and has a firm foothold in the Kola Region in Russia.

DnB NOR's international network comprises eight branches and three representative offices on three continents. Through extensive co-operation with other business areas and support functions in the Group, particularly within corporate finance and FX and interest rate instruments, corporate customers are offered a broad range of financial services and life insurance and pension products.

DnB NOR holds a strong position in all segments of the Norwegian corporate market, and is one of the world's leading shipping banks. DnB NOR Finans is one of Norway's leading finance companies. As at 31 October 2006, DnB NOR's corporate banking market share comprised 15.6 per cent. of total lending to corporate clients (including all credits extended to Norwegian customers by

domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper excluding lending to financial institutions, central government and social security services) and 38.2 per cent. of deposits from corporate clients (domestic savings and commercial banks. Excluding deposits from financial institutions, central government and social security services) (*source: Norges Bank, DnB NOR*).

Retail Banking

Retail Banking, serving private customers and small companies under the main brand names DnB NOR, Postbanken and Nordlandsbanken, is Norway's largest retail bank (*source: The Norwegian Financial Services Association and DnB NOR*). This business area serves more than 2.2 million private individuals.

DnB NOR's real estate broking activities are co-ordinated in DnB NOR Eiendom AS, one of the market leaders within the real estate broking business (*source: DnB NOR*). DnB NOR's card-based services and consumer finance activities are co-ordinated in DnB NOR Kort (an entity within DnB NOR Bank ASA). DnB NOR Kort is Norway's leading card issuer (*source: DnB NOR*).

Retail Banking aims to maintain its leading market position (*source: The Norwegian Financial Services Association*) and stand out as the customers' best financial partner. Good advisory services, customer loyalty programmes and relevant customer dialogue are central tools to build strong customer relations. DnB NOR aims to be easily accessible to its customers and to develop its distribution channels to reflect customer preferences.

Through Norway's largest distribution network (*source: DnB NOR*), Retail Banking offers a wide range of financial products and services. Production, staff and support functions are largely centralised in cost-efficient units. The major distribution channels are:

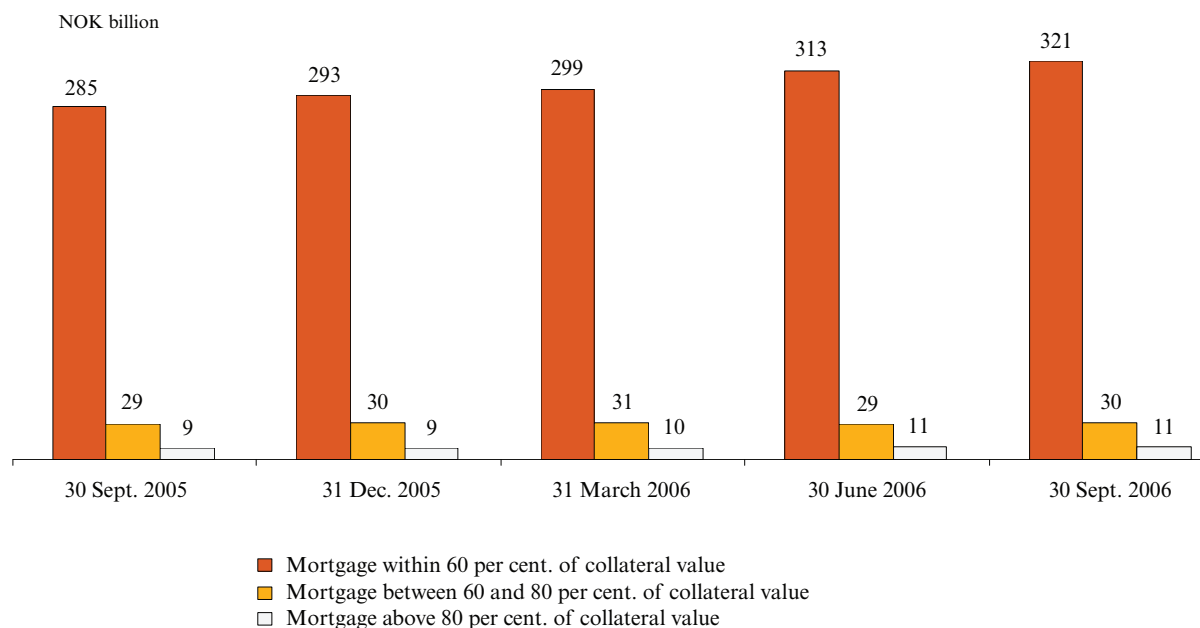
- DnB NOR's, Postbanken's and Nordlandsbanken's branch offices
- The postal network
- Internet and telephone
- Investment Advisory Services.

The co-operation with 16 regional savings banks involves the provision of technological solutions and distribution of the Group's products. The current agreement is in force until the end of 2009. However, four of the savings banks have terminated the agreement, thereby ending their co-operation during 2006 and three more savings banks will end their co-operation during 2007.

In 2005, DnB NOR Bank ASA and Norway Post signed an agreement relating to the distribution of financial services through the postal network. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network, and will remain in force until December 2012.

At 31 October 2006, DnB NOR's retail banking market share was 29.8 per cent. of total lending to households (including all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies and finance companies) and 34.7 per cent. of bank deposits from households (domestic commercial and savings banks) (*source: Norges Bank, DnB NOR*).

Residential mortgages ¹⁾



1) Residential mortgages in the business area Retail Banking in Norway.

DnB NOR Markets

DnB NOR Markets is Norway's largest provider of a wide range of securities and investment banking services with a market share of 24.4 per cent. as at 30 September 2006 (*source: The Financial Supervisory Authority of Norway (Kredittilsynet) and DnB NOR*). DnB NOR Markets comprises the following units:

- FX/Rates/Credit/Real Estate
- Equities
- Corporate Finance
- Securities Services.

DnB NOR Markets aims to be the leading investment bank for Norwegian and Norwegian-related customers, as well as international clients requiring services relating to Norway and the Norwegian kroner. Clients outside Norway are served through the Group's international units, especially shipping and energy clients and Norwegian companies' international entities.

DnB NOR Markets has a moderate risk profile. Customer activities represent the main business. Trading activities support customer activities with products and prices, with focus on Norwegian kroner products.

Maintaining a broad distribution network and effective co-operation with other business areas within the Group, such as Corporate Banking and Payment Services and Retail Banking, are key priorities for DnB NOR Markets. Customers are served through:

- Central units located in Oslo
- International offices (London, Singapore, Shanghai and New York) and 13 regional offices. The branch in Shanghai was opened in September 2006
- Electronic channels and the internet
- Co-operating savings banks
- External agents.

DnB NOR Markets is a full-service investment bank with leading market positions in Norway (*source: DnB NOR*). In spite of intensifying competition, DnB NOR Markets maintained its leading market position in Norway (*source: DnB NOR*) within foreign exchange, interest rate and equity-related activities and was also the mandated lead arranger for the greatest number of domestic Norwegian kroner bond issues in the first half of 2006.

Vital

Vital is Norway's largest provider of pension savings and life insurance products (although it does not form part of the Issuer's operations). Vital offers group pension schemes to businesses and the public sector. In the retail market, long-term savings alternatives are offered in the form of individual pension agreements and annuities. As from the fourth quarter of 2006, Vital commenced selling employers' liability insurance to the corporate market, the most important products being group life and workers' compensation insurance.

The business area is represented in most parts of Norway through sales offices and provides services through DnB NOR and Postbanken's distribution networks and independent agents, as well as via the internet.

Vital comprises Vital Forsikring ASA including subsidiaries and the sister company Vital Link AS. Vital aims to be Norway's strongest entity within pension savings. Vital seeks continued growth within the company's business segments and aims to deliver competitive results to its policyholders and owner. Devoting further efforts to improving cost efficiency, providing top-quality advisory services, maintaining high levels of service and customer relationship management and serving as an attractive entry portal for customers into the Group will be instrumental in reaching these targets. A merger between Vital Forsikring and Vital Link is scheduled to be implemented during 2007.

At 30 September 2006, policyholders in Vital numbered approximately 900,000. Vital's market share of policyholders' funds was 35.8 per cent. at 30 June 2006. Vital has a leading position in the mandatory occupational pension market (*source: DnB NOR*).

DnB NOR Asset Management

DnB NOR Asset Management provides mutual funds and discretionary portfolio management services to Norwegian and other Nordic corporate clients, the public sector, private pension funds and retail customers.

DnB NOR Asset Management serves the Norwegian and Swedish savings markets, offering domestic and international asset management services.

DnB NOR Asset Management seeks to provide first-class returns on customer funds within the preferred risk profile and investment horizon. DnB NOR aspires to be the leading asset manager for customers in the Nordic region, providing sound long-term returns and a high level of service based on a thorough understanding of customer needs.

Customer activity is concentrated in Norway and Sweden. In order to provide competitive global asset management, investment operations have also been established in London, New York and Hong Kong. The area provides a combination of regional and sector-oriented management teams with a presence in all major financial markets. Asset management services are provided through channels adapted to the various markets including:

- DnB NOR's extensive network of branches and regional financial services centres
- Post offices and in-store postal outlets
- The internet
- External channels including brokers, investment advisers and regional and local savings banks
- Local distributors
- The business area's own sales force and, in Norway, through co-operation with Corporate Banking.

The business area has a leading position in the institutional market in both Norway and Sweden with 331 institutional clients. DnB NOR Asset Management leads the market for hedge funds in Norway (*source: DnB NOR*).

DnB NORD

In 2005, DnB NOR's growth platform was strengthened through an expansion of its international operations. DnB NOR and Norddeutsche Landesbank, NORD/LB, decided to establish a jointly-owned bank in the Baltic Sea region, DnB NORD. DnB NORD was established in December 2005 and is owned 51 per cent. by DnB NOR and 49 per cent. by NORD/LB. The new bank is headquartered in Copenhagen.

DnB NORD serves more than 680,000 retail and corporate clients through 126 branches and offices in six countries.

The Baltic states and Poland are important markets experiencing strong growth, and an increasing number of DnB NOR's customers are establishing operations in this area. Thus, the creation of DnB NORD is an important strategic initiative in accompanying customers into one of Europe's most dynamic regions. DnB NORD expects to grow at least in pace with the total market in the Baltic and Poland.

DnB NORD has taken over NORD/LB's operations in Estonia, Latvia, Lithuania and Poland and will consequently have a strong market position from the start, as the third largest bank in Lithuania and the fourth largest in Latvia. DnB NORD is also represented in Finland and Denmark and can provide a full-service operation for corporate banking.

Overview of the Issuer's subsidiaries

The Issuer is the major subsidiary of DnB NOR ASA. The following table provides a summary of the subsidiaries of the Issuer as at 30 November 2006:

	DnB NOR Bank ASA	
	Ownership share in per cent.	Book Value
<i>Amounts in NOK 1,000</i>		
Foreign subsidiaries		
Bank DnB NORD	51	1,939,028
Den Norske Investments	100	2,550
DnB NOR Asia	100	80,370
DnB NOR Markets Inc.	100	2,268
DnB NOR Reinsurance	100	20,999
Luxcap	100	308,325
DnB NOR Luxembourg	100	141,934
Monchebank	97	207,544
Domestic subsidiaries		
DnB NOR Boligkreditt	100	1,000,000
DnB NOR Eiendom	100	75,349
DnB NOR Eiendomsutvikling	100	45,229
DnB NOR Finans	100	1,567,791
DnB NOR Fiskeriutvikling	100	10,000
DnB NOR Invest Holding	100	543,000
DnB NOR Meglerservice	100	5,221
DnB NOR Næringsmegling	100	24,000
Hafjell Alpinsenter	100	12,400
Kreditt-Finans	100	50,394
Lodalen Holding	100	84,000
Lørenfaret NE 1	100	500
Netaxept	100	67,675
Nordlandsbanken	100	1,864,444
Realkreditt Eiendom	100	133,033
Sparebankgårdene	100	213,914
Viul Hovedgård	100	11,766
General and limited partnerships		
Lørenfaret NE 1	99	49,387
Total investments in subsidiaries		8,461,120

Risk measurement and risk-adjusted capital

Risk-adjusted capital makes it possible to compare risk across risk categories and business areas. Calculations of risk-adjusted capital are based on statistical methods. However, calculations of risk-

adjusted capital require a certain level of discretion and estimation, which could, if changed, have an impact on capital estimates.

DnB NOR quantifies risk-adjusted capital for the following risk categories: credit risk, market risk, ownership risk for the life insurance company, operational risk and business risk. Risk-adjusted capital for the various risk categories is calculated separately as well as for the Group as a whole. In addition, risk-adjusted capital is calculated for all business areas. Calculations are used in profitability measurement and as decision support within risk management.

Average losses over a normal business cycle represent expected costs which should primarily be covered through correct pricing. Risk-adjusted capital should cover unexpected losses. The quantification is based on statistical probability distribution for the various risk categories on the basis of historical data and expert judgement. As it is impossible to guard against all potential losses, DnB NOR has stipulated that risk-adjusted capital should cover 99.97 per cent. of potential losses within a one-year horizon. This level is in accordance with an Aa level rating for ordinary long-term debt.

Risk management

Credit risk

Credit risk is the risk of losses due to failure on the part of the Group's counterparties (customers) to meet their payment obligations towards DnB NOR.

Credit risk represents the chief risk category for the Group and refers to all claims against customers, mainly loans, but also liabilities in the form of other extended credits, guarantees, interest-bearing securities, approved, undrawn credits, as well as counterparty risk arising through derivatives and foreign exchange contracts. Settlement risk, which arises in connection with payment transfers because not all transactions take place in real time, also involves counterparty risk.

DnB NOR's credit process is based on the Group's credit policy, which is approved by the Board of Directors. The primary aim of credit operations is to maintain a credit portfolio with a composition and quality that ensures the bank's short- and long-term profitability. The quality of the credit portfolio should be consistent with DnB NOR's low risk profile target.

The risk levels of individual customers and industries and their geographical locations are monitored closely to avoid large risk concentrations. Credit strategies are worked out for all business areas carrying credit risk. The strategies are reviewed and approved by the Board of Directors on an annual basis. Credit approval authorisations are personal and graded on the basis of expected default frequency. For large credits, there is a two-layered decision-making procedure where credit approval authority rests with the business units subject to approval by Group Credit Risk Management. The risk classification and renewal of all commitments within Corporate Banking are evaluated annually.

Data and analytical tools are an integrated part of risk management. The Group has extensive experience with classification systems as support for credit decisions and monitoring. Calculations of expected losses with a long-term perspective and risk-adjusted capital are integrated in the credit process. The Bank has applied for approval to use the IRB Foundation approach for a part of its loan portfolio when Basel II is implemented in Norway as of 1 January 2007. As at the date hereof, such approval has not been given.

Market risk

Market risk arises as a consequence of the banking group's open positions in the foreign exchange, interest rate and capital markets. The risk is linked to variations in financial results due to fluctuations in market prices or exchange rates.

Overall, market risk represents a moderate share of the Group's total risk and relates primarily to long-term investments in equity instruments within banking operations. Market risk in Vital is included under ownership risk for the life insurance company.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations.

Liquidity risk is managed and measured by means of various measurement techniques. The Board of Directors has established short-term limits which reduce the bank's dependence on short-term funding from the domestic and international money and capital markets. In addition, limits have been approved for structural liquidity risk, which implies that lending to the general public should

largely be financed through customer deposits, subordinated capital and long-term funding. Liquidity risk management includes stress testing.

Life insurance risk

Risk within life insurance comprises financial risk and insurance risk. Financial risk is the risk that the return on financial assets will not be sufficient to meet the guaranteed rate of return specified in insurance policies, while insurance risk relates to changes in future insurance obligations due to changes in policyholders' life expectancy and disability rate.

According to current parameters for life insurance operations in Norway, Vital carries the risk of fulfilling the company's commitments in contracts with policyholders. The return on financial assets must be sufficient to meet the guaranteed annual return to the company's policyholders. If this is not the case, additional allocations will have to be used, representing buffer capital built up from profits in previous years. Alternatively, the shortfall could be charged to equity.

The purpose of risk management is to achieve the highest possible return for policyholders and the owner in the long term, subject to an acceptable risk level. The risk situation for Vital is followed closely, including daily updates on returns on financial assets and forecasts for future developments. The group executive vice president responsible for Vital and the Board of Directors of Vital will ensure that Vital's risk management and financial strategy are consistent with the Group's risk profile.

Risk management in Vital Forsikring implies that market risk in the balance sheet is geared to the level of capital in excess of statutory requirements. Analyses have shown that in the longer term, such dynamic risk management will improve risk-adjusted returns. The probability of a highly negative outcome has been reduced, while there are good chances of benefiting from an upswing in stock markets.

New operating parameters for life insurance companies will involve major changes for the industry, most importantly a sharper distinction between policyholders' funds and the company's own funds, a clearer distribution of risk between policyholders and the company and more transparent pricing of life insurance products. Kredittilsynet has proposed that statutory provisions on pricing and profit sharing should not enter into force until 1 January 2008.

Operational risk

Operational risk is the risk of losses due to deficiencies or errors in processes and systems, errors made by employees or external events.

Operational risk is a risk category which covers most costs associated with shortcomings in the quality of the Group's operations. As for other risk categories, DnB NOR aims to document low risk and high quality. Thus, great emphasis is placed on risk and quality in the operation and management of the Group. The Board of Directors lays down the conditions for risk management in the Group and receives periodic reports on the current status and developments in the Group's risk situation.

Special sections have been established in all business areas and support units, carrying responsibility for the practical aspects of operational risk management.

Contingency and business continuity plans are central tools in operational risk management and subject to continual quality control.

Business risk

Business risk is the risk of losses due to external factors such as the market situation or government regulations. This risk category also includes reputational risk.

DnB NOR has chosen to calculate risk-adjusted capital for business risk as a separate category. This is in line with Pillar 2 under the Basel II regulations, requiring that financial institutions consider the effect on capital of risk categories not included under Pillar 1.

SHAREHOLDERS, MANAGEMENT AND EMPLOYEES

The Issuer is 100 per cent. owned by DnB NOR ASA. The following table sets forth, as at 31 December 2006, the 20 largest shareholders of DnB NOR ASA, the number of shares held by each such shareholder, the percentage of outstanding shares represented by each shareholding and the country of incorporation of the shareholders:

Major shareholders

Name of shareholder	Country	Percentage	No. of shares
Norwegian Government	Norway	34.00	454,537,465
DnB NOR Savings Bank Foundation	Norway	10.95	146,391,364
JPMorgan Chase Bank Treaty Account	Great Britain	4.06	54,217,038
Folketrygdfondet	Norway	3.76	50,236,225
State Street Bank & Client Omnibus D	USA	3.21	42,890,756
JPMorgan Chase Bank Fidelity Lending Account	USA	1.83	24,457,000
Fidelity Funds, Europe Funds	Luxembourg	1.64	21,988,300
The Northern Trust C Treaty Account	Great Britain	1.41	18,826,549
Mellon Bank, Agent for Clients M	USA	1.26	16,827,786
Pioneer Asset Management Citibank International	Luxembourg	1.16	15,571,521
JPMorgan Chase Bank, Omnibus Lending Account	USA	0.90	11,977,897
JPMorgan Chase Bank, Capital World	USA	0.82	10,936,100
The Northern Trust C USL Treaty Account	Great Britain	0.75	10,083,732
Oslo Pensjonsforsikring	Norway	0.75	10,000,000
JPMorgan Chase Bank, Escrow Account	Great Britain	0.75	9,974,748
Orkla ASA	Norway	0.67	9,000,000
Mellon Bank, Agent for ABN AMRO M	USA	0.65	8,643,173
DnB NOR Employees Fund AS	Norway	0.64	8,500,000
State Street Bank & Client Omnibus N	USA	0.62	8,290,300
Investors Bank & Trust West Treaty Account	USA	0.62	8,247,353

Supervisory Board

Responsibility and organisation

The Issuer has a supervisory board ("Supervisory Board") which is in accordance with the Norwegian Financial Institutions Act and the Issuer's articles of association. The Supervisory Board consists of 30 members with 10 to 20 deputies, 20 members elected by the shareholder and 10 members elected by the employees. The members of the Supervisory Board are elected for two-year terms.

The Supervisory Board annually elects its chairman and vice-chairman from among its members. The current chairman is Benedicte Berg Schilbredk and the vice-chairman is Ole-Eirik Lerøy.

The main responsibility of the Supervisory Board is to supervise the Board of Directors of the Issuer (the "Board of Directors") and the chief executive officer's ("CEO") management of the Issuer. The Supervisory Board must also submit a statement to the Issuer's general meeting of shareholders on whether the Issuer's Board of Directors' proposal for the profit and loss account and balance sheet should be approved, as well as on the Board of Directors' proposal for allocation of the profit or loss cover. Pursuant to the Issuer's articles of association, the Supervisory Board elects the board members and deputies (including the chairman and the vice chairman), the election committee and the external auditor and determines their remuneration. The Supervisory Board also determines the remuneration of the CEO. Furthermore the Supervisory Board has established the guidelines for the Control Committee (as defined below) and may adopt recommendations to the Board of Directors on all matters.

The Supervisory Board holds meetings as often as necessary, and whenever requested to do so by the Board of Directors, its Control Committee or at least one-sixth of the members of the Supervisory Board.

Members of the Supervisory Board

The members of the Supervisory Board, their business addresses and principal activities outside the Issuer are as follows:

(a) Members elected by the shareholder

Name	Business address	Principal activities outside the Issuer
Agerup, Wenche	Bygdøy Allé 2, NO-0240 Oslo	Norsk Hydro (Vice President in the Corporate Mergers and Acquisitions Department)
Andersen, Widar Slemdal.....	P.O. Box 2542 Solli, NO-0202 Oslo	Forsvarets Personellservice (Managing Director)
Bastiansen, Nils Halvard	P.O. Box 1845 Vika, NO-0123	National Insurance Scheme Fund (Director)
Dyvi, Jan-Erik	P.O. Box 1337 Vika, NO-0112 Oslo	Dyvi AS (Group Chairman)
Eidesvik, Toril	Strandgt 92, NO-5528 Haugesund	Caiano AS (Attorney-at-Law)
Frøstrup, Anne Cathrine	Serviceboks 15, NO-3504 Hønefoss	Director of Land Registration Office in Norwegian Mapping Authority
Grændsen, Elisabeth	Maihaugen 1, NO-2609 Lillehammer	In charge of finances and administration at Maihaugen, Lillehammer
Hansson, Herbjørn	P.O. Box 56, NO-3201 Sandefjord	Ugland Nordic Shipping ASA (Managing Director)
Johannson, Knut Hartvig.....	P.O. Box 130 Sentrum, NO-0102 Oslo	Joh. Johannson (Managing Director)
Larre, Erik Sture sr.	Nedre Vollgate 9, NO-0158 Oslo	Originally Attorney-at-Law. Has held a number of board positions
Leire, Tomas.....	P.O. Box 409, NO-4604 Kristiansand	Kruse Smith AS (Managing Director)
Lerøy, Ole-Eirik.....	P.O. Box 7600, NO-5020 Bergen	Lerøy Seafood Group ASA (Group Managing Director)
Løwer, Eldbjørg.....	Tollumløkka 39A, NO-3611 Kongsberg	Board Member
Mohn, Trond	P.O. Box 98, NO-5852 Bergen	Frank Mohn (Managing Director)
Opedal, Dag J.....	P.O. Box 423 Skøyen, NO-0212 Oslo	Orkla ASA (Group President and CEO)
Roarsen, Anita	Snarøyveien 30, NO-1331 Fornebu	Telenor Broadcast Holding AS (CFO)
Schilbred, Benedicte Berg.....	P.O. Box 233, NO-9001 Tromsø	Odd Berg Group (Executive Board Chairman)
Sletteberg, Arthur	P.O. Box 6623, St. Olavs Plass 1, NO-0129 Oslo	Oslo Pensjonsforsikring AS (CFO)
Storrødvann, Tove.....	Akersgt 16, NO-0158 Oslo	Federation of Norwegian Professional Associations (Secretary General)
Wiig, Hanne Egenæss	St. Mariestgt 52, NO-1705 Sarpsborg	Borg Bryggerier Holding AS (Executive Chairman)

(b) Deputies elected by the shareholder

Name	Business address	Principal activities outside the Issuer
Berg-Hansen, Lisbeth.....	Sørhorsfjord, NO-7982 Bindalseidet	Sinka Berg-Hansen AS
Buchmann, Erik	Gabelsgt 38, NO-0272 Oslo	Independent specialist in internal medicine. He also holds a number of board positions
Dankertsen, Turid.....	P.O. Box 24 Haugerud, NO-0616 Oslo	Section Head in the Vocational Rehabilitation Service in Oslo Municipality
Domstein, Rolf	NO-6706 Måløy	Domstein ASA (CEO)
Hagan, Harriet.....	P.O. Box 190, NO-9502 Alta	Head of Investments in Origo Nord AS
Hagem, Bente.....	P.O. Box 5192 Maj, NO-0302 Oslo	Statnet SF (Vice President)
Hodne, Rolf	P.O. Box 279, NO-4002 Stavanger	Victoria Hotell (Managing Director)
Høegh, Leif O.	60 Sloane Avenue, London SW3 3DD, England	Høegh Capital Partners (Director)
Johannson, Liv.....	Måltrostveien 24 c, NO-0786 Oslo	None
Mehren, Herman.....	Kristian Ivsgate 12, NO-0164 Oslo	Formerly worked as a merchant
Møst, Aage.....	Hans Øverlandsvei 49 B, NO-1363 Høvik	Editor
Nilsen, Gry.....	P.B. 213 Sentrum, NO-0103 Oslo	Skattebetalerforeningen (Attorney-at-Law)
Nistad, Einar.....	P.O. Box 23 Kristianborg, NO-5822 Bergen	Merchant in the Grocery Business
Olsen, Asbjørn	Nedre Vollgate 9, NO-0158 Oslo	Oslo og Omland Friluftsråd (Secretary General)
Paulsen, Oddbjørn	Djupmyra 6, NO-8022 Bodø	Board member. Former Managing Director in Salten Forvaltning IKS
Rollefsen, Gudrun B.....	Sjøgata 6, NO-9600 Hammerfest	Barents Naturgass AS (Managing Director)
Smith, Merete.....	Kristian Augustgt 9, NO-0164 Oslo	Advokatforeningen (General Secretary)
Solberg, Birger	P.O. Box 45, NO-1309 Rud	North Cape Minerals (Managing Director)
Thoen, Anne Bjørg	Landingsveien 34, NO-0767 Oslo	Originally Nurse, is working currently at Oslo University College
Wenaas, Lars	NO-6386 Måndalen	Kansas Wenaas AS (Deputy Managing Director)

(c) Members elected by the employees

Name	Business address
Andresen, Per Kr	DnB NOR NO-0021 Oslo
Carlsen, Else	DnB NOR NO-0021 Oslo
Espenes, Bente H	DnB NOR NO-0021 Oslo
Hennum, Bjørn	DnB NOR Drammen
Lundberg, Hanne Mette	DnB NOR Hamar
Pedersen, Berit	DnB NOR Arendal
Solhaug, Eli.....	DnB NOR NO-0021 Oslo
Stensrud, Siri E.....	DnB NOR NO-0021 Oslo

The Issuer does not consider the principal activities outside the Issuer of any of the persons listed in the table above to be significant with respect to the Issuer.

(d) Deputies elected by the employees

Name	Business address
Akhtar, Ayyaz	DnB NOR NO-0021 Oslo
Hagland, Marion	DnB NOR Tønsberg
Hammering, Unni	DnB NOR Grimstad
Hattrem, Lillian	DnB NOR NO-0021 Oslo
Kristiansen, Lars	DnB NOR NO-0021 Oslo
Kvalheim, Svein-Ove	DnB NOR NO-5020 Bergen
Maroni, Trond	DnB NOR NO-0021 Oslo
Mikkelsen, Trond Erik	DnB NOR NO-5020 Bergen
Pedersen, Jaran	DnB NOR Gjøvik
Ramstad, Målfrid	DnB NOR Namsos
Rønningen, Kjell R.	DnB NOR Dokka
Steinsbu, Marianne	DnB NOR NO-0021 Oslo
Storstad, Per.	DnB NOR Molde
Waalder, Astrid	DnB NOR NO-0021 Oslo

The Issuer does not consider the principal activities outside the Issuer of any of the persons listed in the table above to be significant with respect to the Issuer.

Board of Directors

Responsibilities and organisation

The Board of Directors is responsible for managing the Issuer and ensuring that the Issuer's activities are properly organised. The Board of Directors establishes plans and budgets for the Issuer's business, stays informed of the Issuer's financial position and ensures that the Issuer's business, its accounts and the management of its assets and liabilities are subject to adequate control. In order to perform its responsibilities, the Board of Directors must make such enquiries as it considers necessary, and must also supervise the day-to-day management of the Issuer and its business in general.

In accordance with the articles of association of the Issuer, the Board of Directors of the Issuer must consist of up to nine members elected for up to two years. Two of those members shall represent the employees. The CEO is a mandatory member of the Board of Directors according to the Act on Commercial Banks, Section 9. One-fourth of the board members may neither be employed by, nor have other honorary posts in, the Issuer or its direct or indirect subsidiaries. The chairman and vice chairman are elected separately by the Supervisory Board for a term of up to two years. The current chairman is Olav Hytta and the current vice-chairman is Bent Pedersen.

The members of the Board of Directors of the Issuer are as follows:

Name	Business address	Position	Principal activities outside the Issuer
Bjerke, Rune	NO-0021 Oslo	Member (Group chief executive)	None
Hoffmann, Per.	NO-0021 Oslo	Member (employee representative)	None
Hytta, Olav	NO-0021 Oslo	Chairman	Chairman of DnB NOR ASA Group
Larre, Sten Sture	Madserud Allé 10, NO-0274 Oslo	Member	None
Lotsberg, Kari Marie	Vastre Banvü gen 45, 182 47 Enebyberg, Sweden	Member	Svaneli AB (Managing Director)
Pedersen, Bent	Koldingvej 2, 7190 Billund, Denmark	Vice-chairman	Kirkby A/S (Managing director) He also holds a number of board positions in Denmark

Name	Business address	Position	Principal activities outside the Issuer
Petersen, Heidi M.....	P.O. Box 1971, NO-3204, Sandefjord	Member	Rambøll Future AS (Managing Director) She also holds a number of board positions
Rambjør, Torill	Helgerødveien 170, NO-3145 Tjøme	Member	Consultant
Skjeldrum, Ingjerd.....	NO-0021 Oslo	Member (employee representative)	None

The members of the Board of Directors of DnB NOR ASA are as follows:

Name	Business address	Position	Principal activities outside DnB NOR ASA
Hoffmann, Per.....	NO-0021 Oslo	Member (employee representative)	None
Husebø, Nina Britt.....	DnB NOR Finans AS, NO-5020 Bergen	Member (employee representative)	None
Hytta, Olav.....	NO-0021 Oslo	Chairman	As above
Kjøll, Berit.....	Huk Terrasse 3, NO-0287 Oslo	Member	Telenor (Director)
Kvilhaug, Jørn O.....	P.O. Box 15 Bragernes, NO-3001 Drammen	Member (employee representative)	None
Pedersen, Bent	Koldingvej 2, NO-7190 Billund, Denmark	Member (member of Audit Committee)	As above
Petersen, Heidi M.....	P.O. Box 1971, 3204, Sandefjord	Member (member of Audit Committee)	As above
Skjeldrum, Ingjerd.....	NO-0021 Oslo	Member (employee representative)	None
Sund, Bjørn	P.O. Box 300, NO-1471 Lørenskog	Vice-chairman (chairman of Audit Committee)	Heading the work of building the new University Hospital in Oslo and has previously headed other major building projects
Tanum, Anne Carine	P.O. Box 1743 Vika, NO-0121 Oslo	Member	Tanum A/S (Managing Director and owner)
Vold, Per Terje	PB 1949 Vika, NO-0125 Oslo	Member (member of Audit Committee)	Norwegian Oil Industry Association (Director General)

Control Committee

Responsibilities and organisation

The Issuer must have a control committee (the “Control Committee”) which is identical to the Control Committee of DnB NOR ASA. It consists of three to six members with two deputies. One member must meet the requirements set for Norwegian judges. The Financial Supervisory Authority of Norway (Kredittilsynet) must approve the appointment of this member. The chairman, vice-chairman, members and deputy members of the Control Committee are appointed by the General Meeting for two-year terms.

The Control Committee’s main responsibility is to supervise the Issuer’s activities to ensure that it complies with laws, regulations and licences, as well as with their articles of association and resolutions adopted by their decision-making bodies. To the extent that the Control Committee deems necessary, it shall examine the Issuer’s records and documents. The Control Committee may require officers and employees to furnish such information as the committee considers necessary for it to perform its tasks.

Members

The current members of the Control Committee, their business addresses and principal activities outside the Issuer are as follows:

Name	Business address	Position	Principal activities outside the Issuer
Andresen, Helge B.....	P.O. Box 255, NO-2302 Hamar	Member	Attorney-at-Law
Brustad, Svein	Vakåsveien 106, NO-1395 Hvalstad	Deputy	Cand. Oecon and consultant
Hassel, Frode	Beddingen 8, NO-7014 Trondheim	Member	Nordenfjeldske Bykreditt (Managing Director)
Normann, Kristin.....	P.O. Box 6706 St. Olavs Plass, NO-0130 Oslo	Member	Selmer Advokatfirma (Partner)
Roarsen, Anita	Snarøyveien 30, NO-1331 Fornebu	Deputy	Telenor Broadcasting Holding AS (CFO)
Øverland, Thorstein	Ove Kristiansens vei 1, NO-0751 Oslo	Member	Bachelor of Commerce and Consultant

Group Management

The CEO is appointed at a joint meeting of the Supervisory Board and the Board of Directors and is responsible for the day-to-day management of the Issuer. Responsibility for the management of the Group is distributed between the business areas. Group Management consists of the following:

Name	Business address	Position	Function in the Group
Bjerke, Rune.....	NO-0021 Oslo	Group Chief Executive Officer	Group Chief Executive Officer
Benum, Bård.....	Beddingen 16, Trondheim	Group Executive Vice President	Head of life insurance and pensions
Birkeland, Øyvind	NO-0021 Oslo	Group Executive Vice President	Head of asset management
Ertzeid, Ottar	NO-0021 Oslo	Group Executive Vice President	Head of markets
Forfang, Helge	NO-0021 Oslo	Group Executive Vice	Head of JT and group risk management

Name	Business address	Position	Function in the Group
Grøndahl, Tom	NO-0021 Oslo	President Deputy Chief Executive Officer	Head of finance and group staff
Raknerud, Evlyn	NO-0021 Oslo	Group Executive Vice President	Head of human resources and group services
Skår, Åsmund.....	NO-0021 Oslo	Group Executive Vice President	Head of retail banking
Teksum, Leif.....	NO-0021 Oslo	Group Executive Vice President	Head of corporate banking and payment services

The Issuer does not consider the principal activities outside the Issuer of any of the persons listed in the table above to be significant with respect to the Issuer.

No company in the Group has issued loans or securities to any members of the Supervisory Board, the Board of Directors, the Control Committee or Group Management that are not on the same ordinary terms as for employees of the Group.

There are no potential conflicts of interest between the duties to the Issuer of each of the persons listed above under the headings “Supervisory Board”, “Board of Directors”, “Control Committee” and “Group Management” and his/her private interests or other duties.

TAXATION

Norwegian Taxation

Set forth below is a general summary of certain Norwegian tax considerations which are relevant in connection with the acquisition, ownership and disposition of the Notes. This summary is a general summary and does not provide a complete description of all relevant Norwegian tax regulations. This summary is based on current law and practice. Persons considering the purchase of the Notes are advised to consult their own professional tax advisers with respect to the individual tax consequences of the purchase, ownership or disposition of the Notes.

Repayment of principal and premium (if any) or payment of interest on debt to persons who have no connection with Norway other than the holding of such debt securities are not, under present Norwegian law, subject to Norwegian taxation.

Interest paid on certain instruments approved as Tier 1 capital (*Fondsobligasjoner*) by Kredittilsynet, such as the Notes, qualifies for an interest deduction for the payor. In addition, interest payments made on the Notes are treated as payments of interest for the payee and not as dividends. Accordingly, there will not be any Norwegian withholding tax on interest payments on the Notes made to non-residents of Norway.

For tax payers resident in Norway for tax purposes, any capital gain on the sale of Notes is taxable as ordinary income at a rate of 28 per cent. Losses are deductible from ordinary income. Also, interest income is taxable at a tax rate of 28 per cent.

No Norwegian issue tax or stamp duty is payable in connection with the issue or the transfer of the Notes.

The Notes will not be subject to any Norwegian wealth tax or estate duties provided that the holder has no connection with Norway other than the holding of the Notes and provided that the Notes have not been used in or attached to any business activities operated through a permanent establishment situated in Norway.

For individuals resident in Norway, the value of the Notes is included when computing the Norwegian wealth tax. Norwegian limited liability companies and certain other companies in a similar position are not subject to wealth tax. Currently, the marginal wealth tax rate is 1.1 per cent. of the market value.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

SUBSCRIPTION AND SALE

Subject to the terms and conditions set forth in a Subscription Agreement dated 29 January 2007 (the “Subscription Agreement”) among the Issuer, Barclays Bank PLC, J.P. Morgan Securities Ltd. and UBS Limited (the “Lead Managers”), the Issuer has agreed to sell to each of the Lead Managers and the Lead Managers have jointly and severally agreed to purchase the principal amount of the Notes, subject to the satisfaction of certain conditions. The Issuer has agreed to indemnify the Lead Managers against certain liabilities, including liabilities incurred in connection with this Prospectus and to contribute to payments that the Lead Managers may be required to make in respect of those liabilities. In the Subscription Agreement, subject to the conditions thereof, the Lead Managers have agreed to purchase the Notes at 100 per cent. of their principal amount less a combined management and underwriting commission and selling concession of 0.5 per cent. of such principal amount.

United States

The Notes have not been and will not be registered under the Securities Act, 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 the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the “distribution compliance period”), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each of the Lead Managers has represented, warranted and agreed that:

- (a) 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 Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”) and each Lead Manager has agreed that it will not offer or sell any Notes, directly, or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

General

No action has been or will be taken in any jurisdiction by the Lead Managers or the Issuer that would or is intended to permit a public offering of the Notes, or possession or distribution of any offering documents or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

Each Lead Manager has agreed 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 Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes 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 nor any other Lead Manager shall have any responsibility therefor.

The Notes are a new issue of securities with no established trading market. Application has been made for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. Neither the Issuer nor the Lead Managers can assure the liquidity of the trading market for the Notes.

In the ordinary course of their respective businesses, the Lead Managers and their respective affiliates have engaged in commercial banking and investment banking transactions with the Issuer and may in the future engage in commercial banking and investment banking transactions with the Issuer or its affiliates.

GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Investment Services Directive.
2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors passed on 9 January 2007 and a resolution of the shareholder of the Issuer passed at a general meeting of the Issuer held on 16 January 2007.
3. For as long as any of the Notes are listed on the Luxembourg Stock Exchange, copies of the following documents may be inspected at and will be available, upon request, free of charge, from the registered office of the Issuer and from the specified offices of the Paying and Transfer Agents for the time being in London and Luxembourg (where applicable, with an English translation thereof):
 - (i) the constitutional documents of the Issuer;
 - (ii) this Prospectus and any amendment or supplement hereto (if any, to the extent published after the date hereof);
 - (iii) the Fiscal Agency Agreement (which includes the forms of Global Note and Note Certificate);
 - (iv) the audited consolidated and non-consolidated financial statements of the Issuer for each of the financial years ended 31 December 2004 and 31 December 2005, in each case together with the auditors' report thereon;
 - (v) the audited consolidated annual financial statements of DnB NOR ASA for each of the financial years ended 31 December 2004 and 31 December 2005, in each case together with the auditors' report thereon;
 - (vi) the unaudited interim consolidated and non-consolidated financial statements of the Issuer as at, and for the period ended, 30 September 2006; and
 - (vii) the unaudited interim consolidated financial statements of DnB NOR ASA as at, and for the period ended, 30 September 2006.

In addition, the Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).
4. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The ISIN of the Notes is XS0285087358 and the Common Code is 028508735.

The address of Euroclear is 1 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.
5. Save as disclosed in this Prospectus, since 31 December 2005 there has been no material adverse change in the prospects of the Issuer and, since 30 September 2006, there has been no significant change in the financial or trading position of the Issuer or the Group.
6. Neither the Issuer nor any member of the Group is or has 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 Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer or the Group.
7. The auditors of the Issuer are PricewaterhouseCoopers AS of Karenslyst Allé 12, N-0245 Oslo, Norway, authorised public accountants, who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in Norway for each of the financial years ended 31 December 2004 and 31 December 2005. The auditors of the Issuer have no material interest in the Issuer. The responsible partners at PricewaterhouseCoopers AS are members of the Norwegian Institute of Public Accountants.
8. So long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, the Issuer will maintain a paying and transfer agent in Luxembourg.

9. The Issuer has not entered into any material contracts outside the ordinary course of its business which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations under the Notes.
10. The total fees and expenses in connection with the admission of the Notes to trading on the Luxembourg Stock Exchange's regulated market are expected to be approximately €2,600.
11. At the time of issue, and subject to the detailed provisions of the Terms and Conditions, the yield of the Notes to, but excluding, 29 March 2017 will be 6.016 per cent. per annum.

REGISTERED OFFICE OF THE ISSUER

DnB NOR Bank ASA

Stranden 21
Aker Brygge
NO-0021 Oslo
Norway

LEGAL ADVISERS

Legal Advisers to the Issuer as to English law

Allen & Overy LLP

One Bishops Square
London E1 6AO
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Legal Advisers to the Lead Managers

(as to English law)

Linklaters

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United Kingdom

(as to Norwegian law)

BA-HR

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Norway

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Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR AND PAYING AND TRANSFER AGENT

Citigroup Global Markets Deutschland AG & Co.

KGaA

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Reuterweg 16
60323 Frankfurt
Germany

LUXEMBOURG LISTING AGENT AND PAYING AND TRANSFER AGENT

Kredietbank S.A. Luxembourgeoise

43 Boulevard Royal
L-2955 Luxembourg

AUDITORS

PricewaterhouseCoopers AS

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Norway