

DNB Bank ASA



(incorporated in Norway)

€45,000,000,000

Euro Medium Term Note Programme

On 6th April, 1998, Union Bank of Norway entered into a U.S.\$1,500,000,000 Euro Medium Term Note Programme, as supplemented and amended (the "**Programme**"). The Programme was subsequently converted into euro and increased to €45,000,000,000. On 12th September, 2002, Union Bank of Norway converted into a public limited company and following such conversion the obligations of Union Bank of Norway became the obligations of a new entity, Union Bank of Norway ASA, which from such date became the issuer under the Programme. On 19th January, 2004, Union Bank of Norway ASA merged with Den norske Bank ASA and, as of such date, Union Bank of Norway ASA was renamed DnB NOR Bank ASA. On 11th November, 2011, DnB NOR Bank ASA was renamed DNB Bank ASA (the "**Issuer**" or "**DNB Bank**").

Pursuant to the Programme, the Issuer may from time to time issue notes ("**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

As more fully described herein, Notes may be issued (i) on an unsubordinated basis ("**Unsubordinated Notes**"), (ii) on a subordinated basis with a fixed maturity as provided in "Terms and Conditions of the Notes" herein ("**Dated Subordinated Notes**") or (iii) on a subordinated basis with no fixed maturity as provided in "Terms and Conditions of the Notes" herein ("**Undated Subordinated Notes**"). The Terms and Conditions of Dated and Undated Subordinated Notes will not contain any events of default.

Notes may be issued in bearer form ("**Bearer Notes**"), registered form ("**Registered Notes**") or uncertificated book-entry form cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen* ("**VPS Notes**" and the "**VPS**", respectively).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €45,000,000,000 (or its equivalent in other currencies calculated as described herein). A description of the restrictions applicable at the date of this Prospectus relating to the maturity of certain Notes is set out in "Overview of the Programme – Maturities".

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme – Dealers" below and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

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 10th July, 2005 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) (the "**Prospectus Act 2005**") for the approval of this document as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a Member State of the European Economic Area). Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme (other than VPS Notes and Swiss Domestic Notes (as defined herein)) during the period of 12 months from the date of this Prospectus 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. In addition, application has been made to register the Programme on the SIX Swiss Exchange Ltd (the "**SIX Swiss Exchange**"). Upon specific request, Notes issued under the Programme may be listed on the SIX Swiss Exchange. References in this Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes are intended to be (i) admitted to trading on the Luxembourg Stock Exchange's regulated market and are intended to be listed on the Official List of the Luxembourg Stock Exchange or (ii) admitted to trading on the standard for bonds of the SIX Swiss Exchange, as the case may be. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**"). The CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set forth in a Final Terms document ("**Final Terms**") which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be filed with the CSSF and, with respect to Notes to be listed on the SIX Swiss Exchange, will be delivered to the SIX Swiss Exchange.

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

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Prospectus to "**Exempt Notes**" are to Notes (including Swiss Domestic Notes) for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither reviewed nor approved any information in this Prospectus pertaining to Exempt Notes and the CSSF assumes no responsibility in relation to issues of Exempt Notes.

The Programme has been rated A+ by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies Inc. ("**Standard & Poor's**"), and A-1 by Moody's Investors Service Limited ("**Moody's**"). Each of Standard & Poor's and Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"). Notes issued pursuant to the Programme may be rated or unrated. Where a Tranche of Notes is rated, its rating will be specified in the applicable Final Terms and will not necessarily be the same as the rating applicable to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger
Deutsche Bank
Dealers

Barclays
BofA Merrill Lynch
Commerzbank
DNB Bank
Goldman Sachs International
UBS Investment Bank

BNP PARIBAS
Citigroup
Deutsche Bank
DZ BANK AG
HSBC
UniCredit Bank AG

The date of this Prospectus is 9th October, 2012.

This Prospectus constitutes a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive.

The Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms relating to any Tranche of Notes issued under the Programme. 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.

Copies of Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market will be published on the website of the Luxembourg Stock Exchange at www.bourse.lu and from the registered office of the Issuer and the specified offices of the Paying Agents (as defined below) for the time being in London and Luxembourg.

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

Certain information under "Description of the Issuer" has been extracted from publicly available sources. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Neither the Dealers nor the Trustee (as defined below) have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

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

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

The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the documents deemed to be incorporated herein by reference when deciding whether or not to purchase any Notes.

The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Dealers and the Trustee represents that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Norway and Japan (see “Subscription and Sale” below).

The Bearer Notes of each Tranche (other than Swiss Domestic Notes) will initially be represented by a temporary global Note in bearer form (a “Temporary Bearer Global Note”) which will (i) if the global Notes are intended to be issued in new global note (“NGN”) form, as specified in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”); and (ii) if the global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the “Common Depositary”) for Euroclear and Clearstream, Luxembourg. A Temporary Bearer Global Note will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note in bearer form (a “Permanent Bearer Global Note”) or Bearer Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a Permanent Bearer Global Note (other than in respect of Swiss Domestic Notes) either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days’ notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined under “Form of the Notes”), all as further described in “Form of the Notes” below. In respect of each Tranche of Notes denominated in Swiss Francs, the Issuer may deliver a permanent global Note in bearer form (a “Swiss Global Note”) in respect of such Notes (“Swiss Domestic Notes”), which will be deposited on or about the issue date of the Tranche with SIX SIS Ltd, the Swiss Securities Services Corporation located in Olten, Switzerland (“SIS”) or, as the case may be, with any other intermediary in Switzerland recognised for such purpose by the SIX Swiss Exchange Ltd (the “SIX Swiss Exchange”) (SIS or any such other intermediary, the “Intermediary”). Subject to certain exceptions described below, Bearer Notes may not be offered, sold or delivered within the United States to, or for the account or benefit of, U.S. persons (as defined the U.S. Internal Revenue Code of 1986 and U.S. Treasury regulations thereunder). See “Subscription and Sale” below.

This Prospectus has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) must be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Notes have not been, and will not be, registered under the Securities Act of 1933, as amended (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 (as defined in Regulation S under the Securities Act (“Regulation S”)) except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Unless otherwise provided with respect to a particular Series (as defined under “Terms and Conditions of the Notes”) of Registered Notes, the Registered Notes of each Tranche of such Series sold outside the United States in reliance on Regulation S under the Securities Act will be represented by a permanent global Note in registered form, without interest coupons (a “Reg. S Global Note”), which will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“DTC”) for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants or (ii) be deposited with a common depository or common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue (the “Distribution Compliance Period”), beneficial interests in the Reg. S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person except in accordance with Rule 144A under the Securities Act, Rule 903 or 904 of Regulation S, or pursuant to another applicable exemption from the registration requirements of the Securities Act. The Registered Notes of each Tranche of such Series sold in private transactions to qualified institutional buyers (“QIBs”) within the meaning of Rule 144A under the Securities Act will be represented by a restricted permanent global Note in registered form, without interest coupons (a “Restricted Global Note”, and, together with a Reg. S Global Note, “Registered Global Notes”), deposited with a custodian for, and registered in the name of a nominee of, DTC. The Registered Notes of each Tranche of such Series sold to “accredited investors” (as defined in Rule 501(a)(1), (2), (3) and (7) under the Securities Act) which are institutions (“Institutional Accredited Investors”) will be in definitive form, registered in the name of the holder thereof. Registered Notes in definitive form will, at the request of the holder, be issued in exchange for interests in the Registered Global Notes upon compliance with the procedures for exchange as described in “Form of the Notes”.

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

Notes may not be offered or sold within the United States or to U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Registered Notes may be offered and sold in the United States exclusively to persons reasonably believed by the Dealers to qualify as QIBs (as defined herein) or placed privately with institutions that are accredited investors as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. To permit compliance with Rule 144A under the Securities Act in connection with the resales of Registered Notes, the Issuer is required to furnish, upon request of a holder of a Registered Note and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act. Registered Notes are not transferable to other holders within the United States except upon satisfaction of certain conditions as described under “Subscription and Sale”.

The Notes have not been recommended by or approved or disapproved by the United States Securities and Exchange Commission (the “SEC”) or any other federal or state securities commission in the United States nor has the SEC or any other federal or state securities commission confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable

federal or state securities laws pursuant to a registration statement or an exemption from registration. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, which reflect management's current expectations with respect to future events, financial and operating performance and future market conditions. Words such as "believe", "anticipate", "expect", "aim", "project", "expect", "intend", "predict", "target", "may", "might", "assume", "could", "will" and "should" or other variations or comparable terminology are intended to identify forward-looking statements. Forward-looking statements appear in a number of places in this Prospectus including, without limitation, the documents referred to in "Documents Incorporated by Reference", "Risk Factors" and "Description of the Issuer". These forward-looking statements address matters such as:

- DNB Bank's business strategy and financial targets;
- performance of the financial markets;
- future prospects of DNB Bank such as growth prospects, cost development under the cost programme and future write-downs on loans; and
- future exposure to credit, market, liquidity and other risks.

By their nature, forward-looking statements involve risk and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. While DNB Bank has prepared these forward-looking statements in good faith and on the basis of assumptions it believes to be reasonable, any such forward-looking statements are not guarantees or warranties of future performance. DNB Bank's actual financial condition, results of operation and cash flows, and the development of the markets in which it operates, may differ materially from those expressed or implied in the forward-looking statements contained in this Prospectus.

All references in this document to "U.S. dollars", "U.S.\$" and "\$" refer to United States dollars, those to "CHF" refer to Swiss Francs, those to "NOK" refer to Norwegian kroner, those to "Yen" refer to Japanese yen, those to "Sterling" and "£" refer to pounds sterling and those to "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot 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(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of 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 relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions of the Notes, in which event, in the case of Notes other than Exempt Notes and, if appropriate, a supplement to this Prospectus or a new Prospectus will be published.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this Overview of the Programme.

Information relating to the Issuer

Description: DNB Bank ASA, a public limited company incorporated under the laws of the Kingdom of Norway on 10th September, 2002 with registration number 984 851 006. The registered office of the Issuer is at Dronning Eufemias gate 30, N-0021 Oslo, Norway.

Information relating to the Programme

Description: Euro Medium Term Note Programme

Arranger: Deutsche Bank AG, London Branch

Dealers: Barclays Bank PLC
BNP Paribas
Citigroup Global Markets Limited
Commerzbank Aktiengesellschaft
Deutsche Bank AG, London Branch
DNB Bank ASA
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
Goldman Sachs International
HSBC Bank plc
Merrill Lynch International
UBS Limited
UniCredit Bank AG

Trustee: The Law Debenture Trust Corporation p.l.c.

Registrar: Citigroup Global Markets Deutschland AG

Issuing and Principal Paying Agent: Citibank, N.A., London Branch

VPS Account Manager: DNB Bank ASA, Verdipapirservice

Size: Up to €45,000,000,000 (or its equivalent in other currencies calculated as described in “General Description of the Programme”) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

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

Currencies: Euro, Sterling, U.S. dollars, Swiss Francs, Yen and, subject to any

applicable legal or regulatory restrictions and any applicable reporting requirements, any other currency agreed between the Issuer and the relevant Dealer.

Maturities: Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer and the relevant Dealer(s). Unless otherwise permitted by then current laws, regulations and directives, Dated Subordinated Notes will have a minimum maturity of not less than five years. Undated Subordinated Notes will have no fixed maturity.

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

Form of Notes: The Notes will be issued in bearer form, registered form or, in the case of VPS Notes, uncertificated book-entry form, as described in "Form of the Notes" below.

Each Tranche of Bearer Notes (other than Swiss Domestic Notes) will be initially represented by a Temporary Bearer Global Note which will (i) if the global Notes are intended to be issued in NGN form, as specified in the applicable Final Terms, be delivered on or prior to the Issue Date to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and (ii) if the global Notes are not intended to be issued in NGN form, be delivered on or prior to the Issue Date to a Common Depositary for Euroclear and Clearstream, Luxembourg. The Temporary Bearer Global Note will be exchangeable, as specified in the applicable Final Terms, for either a Permanent Bearer Global Note or Bearer Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations.

Each Tranche of Swiss Domestic Notes will initially be represented by a Swiss Global Note which will be deposited on or about the issue date of the Tranche with the Intermediary.

Each Tranche of Registered Notes will be represented by either (i) a Reg. S Global Note, deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants or deposited with a common depositary or common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms, (ii) a Restricted Global Note, deposited with a custodian for, and registered in the name of a nominee of, DTC or (iii) (in the case of Registered Notes sold to Institutional Accredited Investors) Registered Notes in definitive form, registered in the name of the holder thereof.

Bearer Notes will not be exchangeable for Registered Notes and vice versa.

VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with the VPS.

Fixed Rate Notes: Interest will be payable on such date or dates as may be agreed

between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer,

as indicated in the applicable Final Terms.

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

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms).

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

Zero Coupon Notes:

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

Exempt Notes:

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

Redemption:

In relation to Unsubordinated Notes and Dated Subordinated Notes, the applicable Final Terms will indicate the scheduled maturity date (which in the case of Dated Subordinated Notes, must be at least five years after the issue date in respect of such Notes) and will also indicate whether such Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or (in the case of Unsubordinated Notes) following an Event of Default) or that such Notes will be redeemable at the option of the Issuer ("**Issuer Call**") (which, in respect of Dated Subordinated Notes, may not take place prior to the fifth anniversary of the Issue Date) and/or at the option of the Noteholders ("**Investor Put**") (which, in respect of Dated Subordinated Notes, may not take place prior to the fifth anniversary of the Issue Date), in each case upon giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders or the

Issuer, as the case may be, on a date or dates specified in the applicable Final Terms, at the maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

Undated Subordinated Notes will have no scheduled maturity date and the applicable Final Terms will indicate whether such Notes will be redeemable at the option of the Issuer.

Where the applicable Final Terms specify that Condition 6(j) applies, if a Capital Event (as defined in Condition 6(j)) occurs within the period from (and including) the relevant issue date to (but excluding) the 90th calendar day after the date of effective implementation of CRD4 (as defined in Condition 6(j)) in Norway, the Issuer shall be entitled to redeem Dated or Undated Subordinated Notes (subject to the prior written consent of the Norwegian FSA (as defined below)).

No early redemption of Dated Subordinated Notes and no redemption of Undated Subordinated Notes may take place without the prior written consent of the Financial Supervisory Authority of Norway (*Finanstilsynet*) (the “**Norwegian FSA**”).

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination of each Note (other than an Exempt Note) admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the time of issue) or such other amount as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.

The minimum denomination of each Note sold, resold or transferred to an Institutional Accredited Investor will be U.S.\$500,000 or its equivalent in other Specified Currencies.

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within the Kingdom of Norway, subject as provided in Condition 7.

All payments in respect of the Notes will be made subject to any deduction or withholding required by FATCA, as provided in Condition 5(b).

Negative Pledge:

The Notes will not contain a negative pledge provision.

Cross-Default:

None.

Neither Dated Subordinated Notes nor Undated Subordinated Notes will contain any events of default.

Status of the Unsubordinated Notes:

The Unsubordinated Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (including deposits) (other than subordinated obligations,

if any) of the Issuer, present and future, from time to time outstanding.

Status of the Dated Subordinated Notes:

The Dated Subordinated Notes will constitute unsecured subordinated obligations of the Issuer, subject to cancellation as described in Condition 3(c), and will rank *pari passu* without any preference among themselves and at least equally with all other subordinated obligations of the Issuer (whether actual or contingent) having a fixed maturity from time to time outstanding. The Dated Subordinated Notes shall, in the event of a liquidation, dissolution or other winding-up of the Issuer by way of public administration, be subordinated in right of payment only to the claims against the Issuer of all unsubordinated creditors of the Issuer and to claims preferred under Norwegian law generally.

Status of the Undated Subordinated Notes:

The Undated Subordinated Notes will constitute undated and unsecured subordinated obligations of the Issuer, subject to cancellation as described in Condition 3(c), and will rank *pari passu* without any preference among themselves and at least equally with Other *Pari Passu* Claims (as defined in the Terms and Conditions of the Notes) from time to time outstanding. The right to payment in respect of the Undated Subordinated Notes will be subordinated to the claims of Senior Creditors (as defined in Condition 3(b)(vi)) and payments of principal and interest in respect of the Undated Subordinated Notes will be conditional upon the Issuer being Solvent (as defined in the Terms and Conditions of the Notes) at the time of payment by the Issuer and no principal or interest shall be payable in respect of the Undated Subordinated Notes except to the extent that the Issuer could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims, and still be Solvent immediately thereafter, all as set out in Condition 3(b).

If at any time the Issuer is liquidated, dissolved or otherwise wound-up (other than pursuant to a merger) by way of public administration, there shall be payable on the Undated Subordinated Notes (in lieu of any other payment, but subject as provided in Condition 3) such amounts, if any, as would have been payable to the Noteholders if, on the day prior to the commencement of the liquidation, dissolution or winding-up and thereafter, they were the holders of securities having a preferential right to a return of assets in the liquidation, dissolution or winding-up, as the case may be, over the holders of all share capital for the time being in the capital of the Issuer, on the assumption that such securities were entitled to receive on a return of capital in such liquidation, dissolution or winding-up, in respect of the principal amount of the Notes an amount equal to the principal amount of the Notes and, in the case of interest on the Notes, an amount equal to interest accrued to but excluding the date of repayment and any Arrears of Interest and any Additional Interest Amount, and where such amounts ranked at least *pari passu* with any other Undated Subordinated Indebtedness, all as more particularly described in Condition 3(b).

Dated Subordinated Notes and Undated Subordinated Notes: Cancellation of Principal:

Under Norwegian legislation, if the Issuer's most recent audited accounts reveal that its net assets are less than 25 per cent. of its share capital, the general meeting of shareholders of the Issuer can, or the relevant authorities can if the general meeting of shareholders of the Issuer does not do so: first, cancel share capital to compensate for the shortfall and secondly, if any remaining shortfall

exceeds a substantial part (as determined by the general meeting of shareholders of the Issuer or by the relevant Norwegian authorities) of the Issuer's subordinated loan capital, cancel, in whole or in part, such subordinated loan capital (which would include principal in respect of all Dated Subordinated Notes and Undated Subordinated Notes). In such circumstances, principal in respect of all Undated Subordinated Indebtedness will be cancelled before principal in respect of any Dated Subordinated Notes.

To the extent that part only of the outstanding principal amount of any Dated Subordinated Notes or Undated Subordinated Notes has been cancelled as provided above, interest will continue to accrue in accordance with the terms thereof on the then outstanding principal amount of such Dated Subordinated Notes or Undated Subordinated Notes, as the case may be, and on any Arrears of Interest (including any Additional Interest Amounts).

Deferral of Interest on Undated Subordinated Notes:

On any Optional Interest Payment Date, the Issuer shall be entitled to defer payment of interest accrued in respect of such Undated Subordinated Notes and any such deferral shall not constitute a failure to comply with the provisions of such Undated Subordinated Notes, all as more particularly described in Condition 4(f). An Interest Payment Date shall be an Optional Interest Payment Date if the Issuer's most recent quarterly report to the Norwegian FSA disclosed that it was in breach of the capital adequacy requirements of the Norwegian Ministry of Finance applicable to the Issuer.

Any interest in respect of the Notes not paid on an Interest Payment Date, together with any other interest in respect thereof not paid on any other Interest Payment Date shall, so long as the same remains unpaid, constitute Arrears of Interest. Arrears of Interest will be payable in accordance with Condition 4(f)(ii).

Substitution or Variation:

Where the applicable Final Terms specify that Condition 6(k) applies, if at any time a Capital Event occurs, the Issuer may, subject to obtaining the prior written consent of the Norwegian FSA, substitute Dated or Undated Subordinated Notes for, or vary their terms so that they remain or, as appropriate, become, Qualifying Securities (as defined in Condition 6(k)), as further provided in Condition 6(k).

Rating:

The Programme has been rated A+ by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies Inc. ("**Standard & Poor's**"), and A-1 by Moody's Investors Service Limited ("**Moody's**"). Each of Standard & Poor's and Moody's is established in the European Union and is registered under the Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"). Notes issued pursuant to the Programme may be rated or unrated. Where a Tranche of Notes is rated, its rating will be specified in the applicable Final Terms and will not necessarily be the same as the rating applicable to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Approval, Listing and Admission to Trading:

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme (other than VPS Notes and Swiss Domestic Notes) to be listed on the Luxembourg Stock Exchange.

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

In addition, application has been made to register the Programme on the SIX Swiss Exchange. Upon specific request, Notes issued under the Programme may be listed on the SIX Swiss Exchange. Swiss Domestic Notes may be listed only on the SIX Swiss Exchange.

Notes issued under the Programme may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

The Notes will be governed by, and construed in accordance with, English law except for the provisions of Condition 3 and Condition 4(f) which will be governed by, and construed in accordance with, Norwegian law.

VPS Notes must comply with the Norwegian Securities Register Act of 5th July, 2002 no. 64, as amended from time to time and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

Selling Restrictions:

There are selling restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, Norway and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale" below.

United States Selling Restrictions:

For United States securities law and tax purposes only, the Issuer is a Category 2 issuer under Regulation S. Notes will be issued in accordance with TEFRA D, TEFRA D (Swiss Exemption) or TEFRA C unless TEFRA is not applicable, as specified in the applicable Final Terms. VPS Notes must be issued in compliance with TEFRA C.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. 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 Notes issued under the Programme are also described below.

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

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

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.

Risks relating to disruptions in the global credit markets and economy

Since the second half of 2007, disruption in the global credit markets, coupled with the repricing of credit risk, has created increasingly difficult conditions in the financial markets. Financial markets are subject to periods of historic volatility which may impact the Issuer's ability to raise debt in a similar manner, and at a similar cost, to the funding raised in the past. Challenging market conditions have resulted in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the financial performance of the Issuer. In addition, the financial performance of the Issuer could be adversely affected by a worsening of general economic conditions in the markets in which it operates.

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 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.

Credit ratings

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

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, fiscal or other policies can be unpredictable and are beyond the control of the Issuer.

Changes to the Capital Adequacy Regulatory Framework

The Basel Committee on Banking Supervision (the "**Basel Committee**") has put forward a number of fundamental reforms to the regulatory capital framework for internationally active banks. On 16th December, 2010 and on 13th January, 2011, the Basel Committee issued guidance on the eligibility criteria for Tier 1 and Tier 2 capital instruments as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions ("**Basel III**").

The implementation of the Basel III reforms is scheduled to begin on 1st January, 2013. However, the requirements are subject to a series of transitional arrangements and will be phased in over a period of time.

The Basel Committee's press release dated 13th January, 2011 entitled "*Minimum requirements to ensure loss absorbency at the point of non-viability*" (the "**January 2011 Press Release**") included an additional Basel III requirement (the "**Non-Viability Requirement**") as follows:

"The terms and conditions of all non-common Tier 1 and Tier 2 instruments issued by an internationally active bank must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into common equity upon the occurrence of the trigger event unless:

- (a) the governing jurisdiction of the bank has in place laws that (i) require such Tier 1 and Tier 2 instruments to be written off upon such event, or (ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss;
- (b) a peer group review confirms that the jurisdiction conforms with clause (a); and
- (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under clause (a) in this paragraph.

The trigger event is the earlier of: (1) a decision that a write-off, without which the firm would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority."

The January 2011 Press Release states that instruments issued after 1st January, 2013 must meet these requirements in order to be recognised as Tier 1 or Tier 2 instruments for regulatory capital purposes. The recognition of instruments issued before 1st January, 2013 which do not meet these requirements will be phased out from 1st January, 2013.

In the European Union, Basel III will be reflected by amendments to the Capital Requirements Directive (known as CRD IV) and the application of an EU regulation (the "**Capital Requirements Regulation**") directly in each member state (known as CRR) scheduled to be effective from 1st January, 2013. In Norway, CRD IV and CRR will be implemented by the Parliament and/or the Norwegian Ministry of Finance.

On 6th June, 2012 the European Commission proposed a new Directive on a comprehensive framework for dealing with ailing banks (the "**Crisis Management Directive**"). The Crisis Management Directive includes proposals to give regulators resolution powers to write down debt of a failing bank (or to convert such debt into equity) to strengthen its financial position and allow it to continue as a going concern subject to appropriate restructuring. It is currently unclear whether measures ultimately adopted in this area will apply to any debt currently in issue, or whether certain grandfathering rules will apply.

It is possible that pursuant to the Crisis Management Directive or other resolution or recovery rules which may in the future be applicable to the Issuer, new powers may be given to the Norwegian FSA or another relevant authority which could be used in such a way as to result in Dated and Undated Subordinated Notes absorbing losses in the course of any resolution of the Issuer.

It is at this stage uncertain whether the Crisis Management Directive will be adopted and if so, when and in what form. It is expected that the Crisis Management Directive will be implemented in Norway through the adoption of special regulations by the Norwegian Parliament and/or Ministry of Finance. However, if it were to be adopted in its current form, the Crisis Management Directive could negatively affect the position of certain categories of Noteholders and the credit rating attached to certain categories of Notes then outstanding, in particular if and when any of the above proceedings would be commenced against the Issuer, since the application of any such legislation may affect the rights and effective remedies of holders of such Notes as well as their market value.

Apart from the Crisis Management Directive, there has been no official proposal for the implementation of the Non-Viability Requirement in the European Union and/or Norway. The Terms and Conditions of Dated and Undated Subordinated Notes issued under the Programme do not include provisions reflecting such Non-Viability Requirement although they do include a provision which permits principal to be written off in certain circumstances. Pursuant to Condition 3(c) and as described under *“In certain circumstances some or all of the principal amount of any Dated or Undated Subordinated Notes may be cancelled”* above, under existing Norwegian legislation, if the Issuer's most recent audited accounts reveal that its net assets are less than 25 per cent. of its share capital, the general meeting of shareholders of the Issuer can, or the relevant authorities can if the general meeting of shareholders of the Issuer does not do so: first, cancel share capital to compensate for the shortfall and secondly, if any remaining shortfall exceeds a substantial part (as determined by the general meeting of shareholders of the Issuer or by the relevant Norwegian authorities) of the Issuer's subordinated loan capital, cancel, in whole or in part, such subordinated loan capital (which would include principal in respect of all Dated and Undated Subordinated Notes).

There can be no assurance that existing Norwegian legislation or new legislation will be amended or introduced to reflect the January 2011 Press Release or the Crisis Management Directive or that any existing Norwegian legislation or new legislation will be confirmed in due course by a peer group review (as referred to in paragraph (b) of the Non-Viability Requirement above) to conform with paragraph (a) above such that Dated and Undated Subordinated Notes would be subject to being written down or fully loss absorbing on the basis set out in paragraph (a) above. In such circumstances, however, the Terms and Conditions of the Dated and Undated Subordinated Notes may still need to provide for such Non-Viability Requirement in order to qualify as regulatory capital under Basel III. There has been no official notification that a peer group review of the kind referred to in paragraph (b) above has been undertaken in respect of any laws of any EU member state or of Norway.

If the Norwegian FSA or other authorities having oversight of the Issuer at the relevant time (the **“Relevant Authority”**) (i) discloses that a peer group review has confirmed that the capital rules, howsoever described, applicable to the Issuer conform with paragraph (a) above and (ii) discloses that they do not require a change to the terms and conditions of any non-common Tier 1 and Tier 2 instruments to include a provision that requires either that they be written off or converted into equity upon the occurrence of a trigger event, to the extent not already envisaged within the terms of any series of Dated or Undated Subordinated Notes (which change they may still require even if Norwegian legislation is deemed by a peer group review to conform with paragraph (a) above), then the Issuer will notify holders of any affected Dated and/or Undated Subordinated Notes in accordance with applicable disclosure rules that, going forward, such instruments are confirmed as subject to write-off or loss as set out in paragraph (a) above. This may have an adverse effect on the position of holders of Dated and/or Undated Subordinated Notes.

Accordingly, there is currently substantial uncertainty as to how the Non-Viability Requirement should be reflected in the terms and conditions of non-common Tier 1 or Tier 2 instruments being issued by EU and Norwegian banks, if at all. Investors should be aware that Dated and Undated Subordinated Notes may nevertheless be subject to a write-down or conversion into equity at a point of non-viability should the Norwegian FSA be given the power to do so, in addition to the existing provisions permitting some or all of the principal of Dated and/or Undated Subordinated Notes to be cancelled as described in Condition 3(c).

There can be no assurance that, prior to implementation of CRD IV and CRR in Norway and the other Basel III reforms, the Basel Committee will not amend its package of reforms described above. Furthermore, the European Commission, the Norwegian FSA and/or other regulatory authorities in Norway may implement the package of reforms, including the terms which capital instruments are required to have, in a manner that is different from that which is currently envisaged, or may impose more onerous requirements on Norwegian financial institutions. Until fully implemented, the Issuer cannot predict the precise effects of the changes that result from any proposed reforms on both its own financial performance and/or on the pricing of the Dated and Undated Subordinated Notes.

Any failure by the Issuer to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on the Issuer's profitability and results and may also have other effects on the Issuer's financial performance and on the pricing of the Dated and Undated Subordinated Notes, both with or without the intervention by regulators or the imposition of sanctions.

Prospective investors in Dated or Undated Subordinated Notes should consult their own advisers as to the consequences of the proposed CRD IV and CRR and the Crisis Management Directive in Norway.

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

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement to this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

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

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

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer

converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The Issuer's obligations under Dated or Undated Subordinated Notes are subordinated. An investor in Subordinated Notes assumes an enhanced risk of loss in the event of the Issuer's insolvency.

The Issuer's obligations under Dated Subordinated Notes are unsecured and subordinated. In the event of a liquidation, dissolution or other winding-up of the Issuer by way of public administration, the relevant Noteholders' claims shall be subordinated in right of payment only to the claims against the Issuer of all unsubordinated creditors of the Issuer and to claims preferred under Norwegian law generally. The Issuer's obligations under Undated Subordinated Notes are unsecured and subordinated and will rank junior in priority of payment to the claims of Senior Creditors and payments of principal and interest in respect of such Notes will be conditional upon the Issuer being Solvent (as defined in Condition 3(b)) at the time of payment by the Issuer. "**Senior Creditors**" means creditors of the Issuer who are depositors or other unsubordinated creditors of the Issuer or whose claims are, or are expressed to be, subordinated (whether only in the event of the liquidation, dissolution, administration or other winding-up of the Issuer or otherwise) to the claims of depositors and other unsubordinated creditors of the Issuer but have a fixed maturity, except those whose claims rank, or are expressed to rank, *pari passu* with or junior to the claims of the Noteholders and the Couponholders.

Although Dated and Undated Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor in such Notes will lose all or some of his investment should the Issuer become insolvent.

In certain circumstances, some or all of the principal amount of any Dated or Undated Subordinated Notes may be cancelled

Under Norwegian legislation, if the Issuer's most recent audited accounts reveal that its net assets are less than 25 per cent. of its share capital, the general meeting of shareholders of the Issuer can, or the relevant authorities can if the general meeting of shareholders of the Issuer does not do so: first, cancel share capital to compensate for the shortfall and secondly, if any remaining shortfall exceeds a substantial part (as determined by the general meeting of shareholders of the Issuer or by the relevant Norwegian authorities) of the Issuer's subordinated loan capital, cancel, in whole or in part, such subordinated loan capital (which would include principal in respect of all Dated Subordinated Notes and Undated Subordinated Notes). In such circumstances, principal in respect of all Undated Subordinated Indebtedness will be cancelled before principal in respect of any Dated Subordinated Notes.

There are no events of default in relation to Dated or Undated Subordinated Notes

Subject to the right of the Issuer to defer payment of interest pursuant to Condition 4(f), in the event that the Issuer fails to pay interest or principal when due on any Dated Subordinated Note or Undated Subordinated Note, the holders of such Notes shall be entitled to bring proceedings against the Issuer for payment of such amounts.

Under certain conditions interest payments under Undated Subordinated Notes may be deferred. In such cases, investors may experience a significant delay in receiving any interest due under the Notes and, in extreme cases, may lose their entitlement to interest.

If the Issuer discloses in its quarterly report to the Norwegian FSA that it is in breach of the capital adequacy requirements of the Norwegian Ministry of Finance applicable to the Issuer, on the next following Interest Payment Date relating to any Undated Subordinated Notes, the Issuer shall be entitled to defer payment of interest accrued in respect of such Undated Subordinated Notes and any such deferral shall not constitute a failure to comply with the provisions of such Undated Subordinated Notes.

The Issuer will pay all deferred interest, and interest on that deferred interest, on all Undated Subordinated Notes *inter alia* as soon as, after giving effect to such payments, it no longer would be required to defer interest under the terms described above or at the option of the Issuer at any time. The Issuer will also pay all deferred interest, and interest on that deferred interest, on all Undated Subordinated Notes on the date on which the Notes are to be redeemed pursuant to Condition 6 or upon the commencement of a liquidation, administration, dissolution or other winding-up of the Issuer in the Kingdom of Norway. The Issuer will make this payment in respect of all Undated Subordinated Notes on the next scheduled Interest Payment Date that occurs in respect of any issue of Undated Subordinated Notes, unless it elects to make the payment earlier.

In no event will holders of Undated Subordinated Notes be able to accelerate the maturity of their Undated Subordinated Notes; such holders will have claims only for amounts then due and payable on their Undated Subordinated Notes. After the Issuer has fully paid all deferred interest on any issue of Undated Subordinated Notes and if that issue of Undated Subordinated Notes remains outstanding, future interest payments on such Undated Subordinated Notes will be subject to further deferral as described above.

Any deferral of interest payments will likely have an adverse effect on the market price of Undated Subordinated Notes. In addition, as a result of the interest deferral provision for Undated Subordinated Notes, the market price of such Undated Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Dated and Undated Subordinated Notes: Special Event Redemption

Where the applicable Final Terms specify that Condition 6(j) applies, if a Capital Event (as defined in Condition 6(j)) occurs within the period from (and including) the issue date of the relevant Dated or Undated Subordinated Notes to (but excluding) the 90th calendar day after the date of effective implementation of CRD4 (as defined in Condition 6(j)) in Norway, the Issuer may, at its option, but subject to obtaining the prior written consent of the Norwegian FSA and, in the case of Undated Subordinated Notes, subject to Condition 3(b)(i), give notice on or before such 90th calendar day to the Trustee and the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed, as further provided in Condition 6(j), at the amount specified in the applicable Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

There can be no assurance that holders of Dated or Undated Subordinated Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Dated or Undated Subordinated Notes, as the case may be.

Call options are subject to the prior consent of the Norwegian FSA

In addition to the call rights described above under "*Dated and Undated Subordinated Notes: Special Event Redemption*", Dated and Undated Subordinated Notes may also contain provisions allowing the Issuer to call them after a minimum period of, for example, five years. To exercise such a call option, the Issuer must obtain the prior written consent of the Norwegian FSA.

Holders of such Notes have no rights to call for the redemption of such Notes and should not invest in such Notes in the expectation that such a call will be exercised by the Issuer. The Norwegian FSA must agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and

certain other factors at the relevant time. There can be no assurance that the Norwegian FSA will permit such a call. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

In certain circumstances, the Issuer can substitute or vary the terms of Dated and Undated Subordinated Notes

Where the applicable Final Terms specify that Condition 6(k) applies, if at any time a Capital Event occurs, the Issuer may, subject to obtaining the prior written consent of the Norwegian FSA and, in the case of Undated Subordinated Notes, subject to Condition 3(b)(i), (without any requirement for the consent or approval of the relevant Noteholders or, subject as provided in Condition 6(m), the Trustee) either substitute all (but not some only) of the relevant Dated or Undated Subordinated Notes, as the case may be, for, or vary the terms of the relevant Dated or Undated Subordinated Notes, as the case may be, and/or the terms of the Trust Deed so that they remain or, as appropriate, become, Qualifying Securities (as defined in Condition 6(k)) as further provided in Condition 6(k). The Terms and Conditions of such substituted or varied Dated or Undated Subordinated Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Dated or Undated Subordinated Notes, provided that the relevant Dated or Undated Subordinated Notes remain or, as appropriate, become, Qualifying Securities in accordance with the Terms and Conditions. While the Issuer cannot make changes to the terms of Dated or Undated Subordinated Notes that, in its reasonable opinion, are materially less favourable to the holders of the relevant Dated or Undated Subordinated Notes as a class, no assurance can be given as to whether any of these changes will negatively affect any particular holder. In addition, the tax and stamp duty consequences of holding such substituted or varied Dated or Undated Subordinated Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Dated or Undated Subordinated Notes prior to such substitution or variation.

Risks related to Notes generally

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

The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. 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 Trustee may, without the consent of Noteholders and without regard to particular Noteholders, (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed or (ii) determine that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do. In addition, the Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 15 of the Notes including the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Withholding under the 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 or to certain limited types of entities established in that other Member State. However, for a transitional period,

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 adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Withholding may affect payments on the Notes

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that (i) does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS certain information in respect of its account holders or (ii) is not otherwise exempt from or in deemed-compliance with FATCA. The new withholding regime will be phased in beginning in 2014 for payments received from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 2017. After consultation with a number of potential partner countries, the United States released a model intergovernmental agreement ("**model IGA**") to facilitate the implementation of FATCA. Pursuant to FATCA and the model IGA, an FFI in a model IGA signatory country could be treated as a deemed-compliant FFI, an exempt FFI or a "**Reporting FFI**" not subject to FATCA withholding on any payments it receives. Such an FFI would also not be required to withhold under FATCA from payments it makes, but the model IGA leaves open the possibility that such an FFI might in the future be required to withhold on foreign passthru payments that it makes. A Reporting FFI would be required to report certain information in respect of its account holders to its home government.

If the Issuer becomes a Participating FFI under FATCA or a Reporting FFI pursuant to an intergovernmental agreement the Issuer and financial institutions through which payments on the Notes are made may be required to withhold amounts under FATCA if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FFI, or otherwise exempt from or in deemed-compliance with FATCA. This withholding would apply to (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after 31 December 2012 or are materially modified after that date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before 1 January 2013 and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as exempt from FATCA withholding, which may have negative consequences for the existing Notes, including a negative impact on market price.

If an amount in respect of FATCA withholding were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected. If any FATCA withholding is imposed, a beneficial owner of Notes that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return, which may entail significant administrative burden. A beneficial owner of Notes that is a foreign financial institution will be able to obtain a refund only to the extent an applicable income tax treaty with the United States entitles it to an exemption from, or reduced rate of, tax on the payment that was subject to withholding under FATCA.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations, official guidance and the model IGA, all of which are subject to

change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

Proposed Amendment of Swiss Federal Withholding Tax Act

On 22nd December, 2010 the Swiss Federal Council issued draft legislation, which, if enacted, may require any Paying Agent in Switzerland to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a Note to an individual resident in Switzerland or to a person resident in a country which has no double tax treaty with Switzerland. If this legislation or similar legislation were enacted and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from a payment, neither the Issuer nor a Paying Agent nor any other person would pursuant to the Terms and Conditions of the Notes be obliged to pay additional amounts with respect to any Notes as a result of the deduction or imposition of such withholding tax. In respect of Notes that are not Swiss Domestic Notes, the Issuer is required to maintain a Paying Agent in a jurisdiction within Europe other than Switzerland that will not be required to withhold or deduct tax pursuant to laws enacted in Switzerland providing for the taxation of payments according to principles similar to those laid down (i) in the European Council Directive 2003/48/EC or (ii) in the draft legislation proposed by the Swiss Federal Council on 22nd December, 2010, in particular the principle to have a person other than the Issuer withhold or deduct the tax.

The value of the Notes could be adversely affected by a change in English or Norwegian law or administrative practice.

The Terms and Conditions of the Notes are based on English law and, in respect of Condition 3 and Condition 4(f), Norwegian law in effect as at the date of issue of the relevant Notes. 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 relevant Notes and any such change could materially adversely impact the value of any Notes affected by it.

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive bearer Note in respect of such holding (should definitive bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

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:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a

more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the 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 or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. 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. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

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) Notes are legal investments for it, (ii) 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 Notes under any applicable risk-based capital or similar rules.

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 the financial years ended 31st December, 2010 and 31st December, 2011, prepared in accordance with International Financial Reporting Standards as approved by the EU (referred to herein as “IFRS”), and simplified International Financial Reporting Standards pursuant to the Norwegian Accounting Act § 3-9, respectively, including the information set out at the following pages of the Issuer’s ‘Annual Report 2010’ and ‘Annual Report 2011’, respectively:

	2010	2011
Income statement	page 10	page 16
Balance sheet	page 11	page 17
Statement of changes in equity	page 12	page 18
Cash flow statement	page 13	page 19
Accounting principles	pages 14-22	pages 20-29
Notes to the accounts	pages 23-106	pages 30-112
Auditor’s report	page 108	page 115

- (b) the unaudited consolidated and non-consolidated interim financial statements of the Issuer as at, and for the period ended, 30th June, 2012, including the information set out at the following pages of the Issuer’s ‘Quarterly Report – Second quarter 2012’:

Income statements	pages 10 and 12
Balance sheets	pages 11 and 13
Statement of changes in equity	page 14
Cash flow statement	pages 15-16
Accounting principles and explanatory notes	pages 17-39

- (c) the section “*Terms and Conditions of the Notes*” from the following prospectuses/offering circulars relating to the Programme: (i) Offering Circular dated 30th April, 2004 (pages 24-54 inclusive); (ii) Prospectus dated 12th September, 2005 (pages 35-64 inclusive); (iii) Prospectus dated 8th September, 2006 (pages 37-66 inclusive); (iv) Prospectus dated 7th September, 2007 (pages 50-80 inclusive); (v) Prospectus dated 8th September, 2008 (pages 50-81 inclusive); (vi) Prospectus dated 8th September, 2009 (pages 61-98 inclusive); (vii) Prospectus dated 7th September, 2010 (pages 60-95 inclusive); and (viii) Prospectus dated 7th September, 2011 (pages 67-104 inclusive).

Any other information not listed in (a) and (b) above but contained in such document is incorporated by reference for information purposes only. Any non-incorporated parts of the prospectuses/offering circulars referred to in (c) above are either not relevant for an investor or are covered elsewhere in this Prospectus. Following the publication of this Prospectus, a supplement to this Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, 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 Agents for the time being in London and Luxembourg.

The Issuer has undertaken to the Dealers in the Programme Agreement (as defined in “Subscription and Sale”) that, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of any Notes or any

change in the condition of the Issuer which is material in the context of the Programme or the issue of any Notes, the Issuer will prepare and publish a supplement to this Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. An overview of the terms and conditions of the Programme and the Notes is set out in “Overview of the Programme” above. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified by Part A of the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes” below.

This Prospectus and any supplement to this Prospectus will only be valid for listing Notes on the Luxembourg Stock Exchange or any other stock exchange in the European Economic Area or on the SIX Swiss Exchange, in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed €45,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for general business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation; and
- (b) the euro equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

FORM OF THE NOTES

The Notes of each Series will be in bearer form, registered form or, in the case of VPS Notes, uncertificated book-entry form.

Form of Bearer Notes

Bearer Notes (other than Swiss Domestic Notes)

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

If an interest or principal payment date for any Notes occurs whilst such Notes are represented by a Temporary Bearer Global Note, the related interest or principal payment will be made only to the extent that certification of non-U.S. beneficial ownership has been received as described in the last sentence of the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note is improperly withheld or refused. Payments of principal or interest (if any) on a Permanent Bearer Global Note will be made through Euroclear or Clearstream, Luxembourg (against presentation or surrender, as the case may be, of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any further requirement for certification.

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes” below) the Issuing and Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

The applicable Final Terms will specify that either (i) a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, Coupons and Talons attached upon not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Issuing and Principal Paying Agent as described therein or (ii) a Permanent Bearer Global Note (which is not a Swiss Domestic Note) will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, Coupons and Talons attached only upon the occurrence of an Exchange Event as described therein. “**Exchange Event**” means (i) in the case of Unsubordinated Notes, an Event of Default has occurred and is continuing or, in the case of Dated Subordinated Notes or Undated Subordinated Notes, a payment default has occurred and is continuing, (ii) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Trustee is

available, or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which would not be required were the Notes represented by the Permanent Bearer Global Note in definitive bearer form and a certificate to such effect signed by two Directors of the Issuer has been given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Issuing and Principal Paying Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Issuing and Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Issuing and Principal Paying Agent.

Swiss Domestic Notes

Swiss Domestic Notes will be issued in bearer form and will be represented upon issue by a Swiss Global Note. The Swiss Global Note shall be signed by the Issuer and authenticated by or on behalf of the Swiss Principal Paying Agent.

The Swiss Global Note will be deposited by the Swiss Principal Paying Agent on or about the issue date of the Tranche with the Intermediary in accordance with standard Swiss market practice until final redemption of the Swiss Domestic Notes or the printing of definitive Bearer Notes in respect thereof. Payments of principal, interest (if any) or any other amounts on a Swiss Global Note will be made through the Intermediary without any requirement for certification.

Once the Swiss Global Note is deposited with the Intermediary and the accounts of one or more participants of the Intermediary have been credited in accordance therewith, the Swiss Domestic Notes will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

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

The records of the Intermediary will determine the number of Swiss Domestic Notes held through each participant in that Intermediary. In respect of Swiss Domestic Notes held in the form of Intermediated Securities, the holders of the Swiss Domestic Notes will be the persons holding such Swiss Domestic Notes in a securities account in their own name, or in the case of Intermediaries, the Intermediaries holding the Swiss Domestic Notes for their own account in a securities account which is in their name. The terms "**Noteholder**" and "**holder**" of Swiss Domestic Notes and related expressions as used herein and in the Trust Deed shall, in relation to any such Swiss Domestic Notes held in the form of Intermediated Securities, be construed accordingly, other than with respect to the payment of principal or interest on Swiss Domestic Notes, for which purpose the bearer of the Swiss Global Note shall be treated as the holder of such Swiss Domestic Notes in accordance with and subject to the terms of the relevant Swiss Global Note.

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

General provisions applicable to Bearer Notes

The following legend will appear on all Bearer Notes, Coupons and Talons which have an original maturity of more than one year:

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

The sections referred to provide that United States persons, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, Coupons or Talons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, Coupons or Talons.

Form of Registered Notes

Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche of such Series offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a Reg. S Global Note which will either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants or (ii) be deposited with a common depository or common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Prior to expiry of the Distribution Compliance Period applicable to each Tranche of Notes, beneficial interests in a Reg. S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 11 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Reg. S Global Note will bear a legend regarding such restrictions on transfer.

Registered Notes of each Tranche of such Series may only be offered and sold in the United States or to U.S. persons in private transactions: (i) to QIBs; or (ii) to Institutional Accredited Investors who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, DTC.

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

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof. The Restricted Global Note and the Registered Notes in definitive form issued to Institutional Accredited Investors will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal on the Registered Notes will be made on the relevant payment date to the persons shown on the Register at the close of business on the business day (being for this purpose a day on which banks are open for business in Brussels) immediately prior to the relevant payment date. Payments of interest on the Registered Notes will be made on the relevant payment date to the person in whose name such Notes are registered on the Record Date (as defined in Condition 50) immediately preceding such payment date.

Payments of the principal of, and interest (if any) on, the Registered Global Notes will be made to the person shown on the register as the registered holder of the Registered Global Notes. None of the Issuer, the Issuing and Principal Paying Agent, any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

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

Form of VPS Notes

Each Tranche of VPS Notes will be issued in uncertificated and dematerialised book-entry form. Legal title to the VPS Notes will be evidenced by book entries in the records of the VPS. Issues of VPS Notes will be constituted by the Trust Deed. On the issue of such VPS Notes, the Issuer will send a letter to the Trustee, with copies sent to the Issuing and Principal Paying Agent and the VPS Account Manager (the “**VPS Letter**”), which letter will set out the terms of the relevant issue of VPS Notes in the form of Final Terms attached thereto. On delivery of a copy of such VPS Letter, including the applicable Final Terms, to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the account operator acting on behalf of the Issuer will credit each subscribing account holder with the VPS with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Notes in the VPS will take place three Oslo business days after the date of the relevant transaction. Transfers of interests in the relevant VPS Notes will take place in accordance with the rules and procedures for the time being of the VPS.

General

Save as provided in the “Terms and Conditions of the Notes” in respect of Swiss Domestic Notes, for so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or so long as DTC or its nominee is the registered holder of a Registered Global Note or so long as the Note is a VPS Note, each person (other than Euroclear or Clearstream, Luxembourg or DTC or the VPS, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or DTC or the VPS, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Notes standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Notes is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Trustee, the Issuing and Principal Paying Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than (in the case only of Notes not being VPS Notes) with respect to the payment of principal or interest on the Notes, for which purpose, in the case of Notes represented by a Bearer Global Note, the bearer of the relevant Bearer Global Note, in the case of Registered Global Notes, the registered holder or, in the case of Notes where DTC or its nominee is the registered holder of a Registered Global Note, DTC or its nominee shall be treated by the Issuer, the Trustee, the Issuing and Principal Paying Agent and any other Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly).

Notes which are represented by a global Note and VPS Notes will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the Intermediary, as applicable.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the Intermediary and/or the VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Issuing and Principal Paying Agent.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

The Issuer has entered into an agreement with Euroclear and Clearstream, Luxembourg (together, the “**ICSDs**”) in respect of any Notes issued in NGN form or to be held under the New Safekeeping Structure (“**NSS**”) that the Issuer may request be made eligible for settlement with the ICSDs (the “**Issuer-ICSDs Agreement**”). The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any such Notes, *inter alia*, maintain records of their respective portion of the issue outstanding amount and will, upon the Issuer's request, produce a statement for the Issuer's use showing the local nominal amount of its customer holdings of such Notes as of a specified date.

Where the global Notes issued in respect of any Tranche are in NGN form or are to be held under the NSS, the applicable Final Terms will also indicate whether such global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon the ECB being satisfied that the Eurosystem eligibility criteria have been met.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes issued under the Programme.

[Date]

DNB Bank ASA

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

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

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [date] [and the supplement[s] to the Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”) as amended (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Directive**”) to the extent that such amendments have been implemented in a relevant Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on DNB Bank ASA (the “**Issuer**”) and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. These Final Terms, the Prospectus [and the supplement[s]] [has] [have] been published on the website of the Luxembourg Stock Exchange www.bourse.lu.]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated [original date] which are incorporated by reference in the Prospectus dated 9th October, 2012. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) as amended (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Directive**”) to the extent that such amendments have been implemented in a relevant Member State) and must be read in conjunction with the Prospectus dated 9th October, 2012 [and the supplement[s] to the Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, including the Conditions incorporated by reference in the Prospectus. Full information on DNB Bank ASA (the “**Issuer**”) and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. These Final Terms, the Prospectus [and the supplement[s]] [has] [have] been published on the website of the Luxembourg Stock Exchange www.bourse.lu.]

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

1. (i) Series Number: []
- (ii) Tranche Number: []
- (iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with *(identify earlier Tranches)* on [the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [] below, which is

- expected to occur on or about (*date*) [Not Applicable]
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount:
 Series: []
 Tranche: []
4. Issue Price: [] per cent. of the Aggregate Nominal Amount
 [plus accrued interest from (*insert date*) (*if applicable*)]
5. (i) Specified Denomination(s): [] [and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].]
- (N.B. Include the wording in square brackets above, where Bearer Notes are being issued which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount)*
- (In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*
- (ii) Calculation Amount: []
6. (i) Issue Date: []
- (ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
7. Maturity Date: *(Fixed rate – specify date/Floating Rate – Interest Payment Date falling in or nearest to (specify month))*
8. Interest Basis: [[] per cent. Fixed Rate]
 [[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
 [Floating Rate: CMS Linked Interest]
 [Zero Coupon]
 (further particulars specified below)
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. / [] per cent. of their nominal amount
10. Change of Interest Basis: *(Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there)* [Not Applicable]
11. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]

12. Status of the Notes: [Unsubordinated/Dated
Subordinated/Undated
Subordinated]

(If Dated Subordinated Notes or Undated Subordinated Notes include:)

(i) Redemption upon occurrence of Capital Event and amounts payable on redemption therefor: [Applicable – Condition 6(j) applies/Not Applicable (*If applicable, specify the amount payable on redemption for a Capital Event*)]

(ii) Substitution or variation: [Applicable – Condition 6(k) applies/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date

(ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)

(iii) Fixed Coupon Amount(s): [[] per Calculation Amount] [Not Applicable]

(iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []] [Not Applicable]

(v) Day Count Fraction: [Actual/Actual (ICMA)]/[30/360]

(vi) Determination Date(s): [[] in each year] [Not Applicable]

14. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Specified Period(s)/Specified Interest Payment Dates: []

(ii) First Interest Payment Date: []

(iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

(iv) Additional Business Centre(s): []/[Not Applicable]

(v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]

(vi) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []/[Not Applicable]

(vii) Screen Rate Determination:

- Reference Rate and Relevant Financial Centre:

Reference Rate: [[] month [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR/SIBOR]]/[CMS Reference Rate/Leveraged CMS Reference Rate/Steepner CMS Reference Rate: [Unleveraged/Leveraged]/Call CMS Reference Rate]

Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen/Tokyo/Hong Kong/Singapore]

Reference Currency: []

Designated Maturity: []/[The CMS Rate having a Designated Maturity of [] shall be "**CMS Rate 1**" and the CMS Rate having a Designated Maturity of [] shall be "**CMS Rate 2**"]

(Where more than one CMS Rate, specify the Designated Maturity for each relevant CMS Rate)

Specified Time: [] in the Relevant Financial Centre

- Interest Determination Date(s):

[]

(In the case of LIBOR (other than Sterling or Euro LIBOR)): [Second London business day prior to the start of each Interest Period]

(In the case of Sterling LIBOR): [First day of each Interest Period]

(In the case of Euro LIBOR or EURIBOR): [Second day on which the TARGET2 System is open prior to the start of each Interest Period]

(In the case of STIBOR): [Second Stockholm business day prior to the start of each Interest Period]

(In the case of NIBOR): [Second Oslo business day prior to the start of each Interest Period]

(In the case of CIBOR): [First day of each Interest Period]

(In the case of TIBOR): [Second Tokyo business day prior to the start of each Interest Period]

(In the case of HIBOR): [First day of each Interest Period]

(In the case of SIBOR): [Second Singapore business days prior to the start of each Interest Period]

(In the case of a CMS Rate where the Reference Currency is euro): [Second day on which the TARGET2 system is open prior to the start of each interest Period]

(In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period]

- Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fall back provisions appropriately)

(In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions)

- CMS Rate definitions: [Cap means [] per cent. per annum]
[Floor means [] per cent. per annum]
[Leverage means [] per cent.]

(viii) ISDA Determination

- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []

(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked)

- (ix) Margin(s): [+/-] [] per cent. per annum

- (x) Minimum Rate of Interest: [] per cent. per annum

- (xi) Maximum Rate of Interest: [] per cent. per annum

- (xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]

15. Zero Coupon Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: [] per cent. per annum

- (ii) Reference Price: []

- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]

[Actual/365]

(Consider applicable day count fraction if not U.S. dollar denominated)

PROVISIONS RELATING TO REDEMPTION

16. Issuer Call [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Higher Redemption Amount: []
17. Investor Put [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
18. Final Redemption Amount: [] per Calculation Amount
19. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes:
- (i) Form: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on not less than 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]]
- [Reg. S Global Note registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
- [Restricted Global Note registered in the name of a nominee for DTC]

[Definitive Registered Notes]

[VPS Notes issued in uncertificated book-entry form]

(ii) New Global Note: [Yes] [No]

21. Additional Financial Centre(s): [Not Applicable/*give details*]
(Note that this paragraph relates to the place of payment, and not Interest Period end dates to which sub-paragraph 14(iv) relates)

22. Talons for future Coupons to be attached to Definitive Notes: [] [Not Applicable]

Signed on behalf of DNB Bank ASA:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING:

(i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the [Luxembourg Stock Exchange] [specify other] and admitted to the official list of the [Luxembourg Stock Exchange] [specify other] with effect from [].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the [Luxembourg Stock Exchange] [specify other] and admitted to the official list of the [Luxembourg Stock Exchange] [specify other] with effect from [].]

(Where documenting a fungible issue use:)

[The original Notes were admitted to trading on the regulated market of the [Luxembourg Stock Exchange] [specify other] and admitted to the official list of the [Luxembourg Stock Exchange] [specify other] on [].]

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

2. RATINGS:

[The Notes to be issued [[have been]/[are expected to be]] rated *(insert details)* by *(insert credit rating agency name(s) and associated defined terms)*. Each of *(defined terms)* is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”).]

(The above disclosure should reflect the rating allocated to Notes issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[(Insert credit rating agency) is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[(Insert credit rating agency) is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[(Insert credit rating agency) is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[(Insert credit rating agency) is not established in the European Union and has not applied for registration

under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of *(insert the name of the relevant EU CRA affiliate that applied for registration)*, which is established in the European Union, disclosed the intention to endorse credit ratings of *(insert credit rating agency)*.]

[(Insert credit rating agency) is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by (insert the name of the relevant EU-registered credit rating agency) in accordance with Regulation (EC) No. 1060/2009. (Insert the name of the relevant EU-registered credit rating agency) is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[(Insert credit rating agency) is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.] *(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest.)*

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

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

(i) Reasons for the offer: [] [[Not Applicable]

(ii) Estimated net proceeds: [] [[Not Applicable]

(iii) Estimated total expenses: [] [Not Applicable]

(N.B. Use "Not Applicable" unless the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required)

5. YIELD: (Fixed Rate Notes only)

Indication of yield: []

6. **OPERATIONAL INFORMATION:**

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) CUSIP Number: [][Not Applicable]
- (iv) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, société anonyme and SIS and the relevant identification number(s): [Not Applicable/(give name(s) and number(s))/Verdipapirsentralen, Norway. VPS identification number: []. The Issuer shall be entitled to obtain certain information from the register maintained by the VPS for the purposes of performing its obligations under the issue of VPS Notes]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any): [] [Not Applicable]
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] (include this text for Registered Notes which are to be held under the NSS) and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that the Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS] (include this text for Registered Notes which are to be held under the NSS). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that the Eurosystem eligibility criteria have been met.]]
- (If “yes” is specified above, Bearer Notes must be issued in NGN form)

7. **DISTRIBUTION:**

- (i) If syndicated, names of Managers: [Not Applicable/give names]

(If the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)

- (ii) Date of Subscription Agreement: [] [Not Applicable]
(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies)
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (v) U.S. Selling Restrictions: [TEFRA D/TEFRA C/TEFRA not applicable]

(N.B. VPS Notes must be issued in compliance with TEFRA C)
- [(vi) Whether sales to QIBs under Rule 144A and/or private placement sales to Institutional Accredited Investors in the United States are permitted to be made:] [Yes: Rule 144A only/Rule 144A and Institutional Accredited Investors/No]

8. THIRD PARTY INFORMATION:

[[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

Set out below is the form of Final Terms which will be completed for each Tranche of Exempt Notes issued under the Programme.

[Date]

DNB Bank ASA

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

**under the
€45,000,000,000 Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms of the Notes described herein. This document must be read in conjunction with the Prospectus dated [date] [and the supplement[s] to the Prospectus dated [date]] (the "**Prospectus**"). Full information on DNB Bank ASA (the "**Issuer**") and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. Copies of the Prospectus may be obtained from [address].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus [dated [original date]] which are incorporated by reference in the Prospectus.¹

(Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.)

- | | | |
|----|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | (i) Series Number: | [] |
| | (ii) Tranche Number: | [] |
| | (iii) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with (<i>identify earlier Tranches</i>) on [the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [] below, which is expected to occur on or about (<i>date</i>)] [Not Applicable] |
| 2. | Specified Currency or Currencies: | [] |
| 3. | Aggregate Nominal Amount: | |
| | [Series: | [] |
| | [Tranche: | [] |
| 4. | Issue Price: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from (<i>insert date</i>) (<i>if applicable</i>)] |
| 5. | (i) Specified Denomination(s): | [] [and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].] |

¹ Only include this language where it is a fungible issue and the original Tranche was issued under a Prospectus with a different date.

(N.B. Include the wording in square brackets above, where Bearer Notes are being issued which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount)

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

- (ii) Calculation Amount: []
6. (i) Issue Date: []
- (ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
7. Maturity Date: (Fixed rate – specify date/Floating Rate – Interest Payment Date falling in or nearest to (specify month))
8. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Floating Rate: CMS Linked Interest]
[Zero Coupon]
(further particulars specified below)
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. / [] per cent. of their nominal amount
10. Change of Interest Basis: (Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there) [Not Applicable]
11. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
12. Status of the Notes: [Unsubordinated/Dated
Subordinated/Undated
Subordinated]
- (If Dated Subordinated Notes or Undated Subordinated Notes include:)
- (i) Redemption upon occurrence of Capital Event and amounts payable on redemption therefor: [Applicable – Condition 6(j) applies/Not Applicable (If applicable, specify the amount payable on redemption for a Capital Event)]
- (ii) Substitution or variation: [Applicable – Condition 6(k) applies/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs)

of this paragraph)

- (i) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
 - (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
 - (iii) Fixed Coupon Amount(s): [[] per Calculation Amount] [Not Applicable]
 - (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []] [Not Applicable]
 - (v) Day Count Fraction: [Actual/Actual (ICMA)]/[30/360]
 - (vi) Determination Date(s): [[] in each year] [Not Applicable]
14. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: []
 - (ii) First Interest Payment Date: []
 - (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
 - (iv) Additional Business Centre(s): []/[Not Applicable]
 - (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
 - (vi) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []/[Not Applicable]
 - (vii) Screen Rate Determination:
 - Reference Rate and Relevant Financial Centre: Reference Rate: [[] month [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR/SIBOR]]/[CMS Reference Rate/Leveraged CMS Reference Rate/Steepner CMS Reference Rate: [Unleveraged/Leveraged]/Call CMS Reference Rate]
 - Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen/Tokyo/Hong Kong/Singapore]
 - Reference Currency: []
 - Designated Maturity: []/[The CMS Rate having a Designated Maturity of [] shall be "CMS Rate 1" and the CMS Rate having a Designated Maturity of []]

shall be "**CMS Rate 2**")

(Where more than one CMS Rate, specify the Designated Maturity for each relevant CMS Rate)

Specified Time: [] in the Relevant Financial Centre

- Interest Determination Date(s):

[]

(In the case of LIBOR (other than Sterling or Euro LIBOR)): [Second London business day prior to the start of each Interest Period]

(In the case of Sterling LIBOR): [First day of each Interest Period]

(In the case of Euro LIBOR or EURIBOR): [Second day on which the TARGET2 System is open prior to the start of each Interest Period]

(In the case of STIBOR): [Second Stockholm business day prior to the start of each Interest Period]

(In the case of NIBOR): [Second Oslo business day prior to the start of each Interest Period]

(In the case of CIBOR): [First day of each Interest Period]

(In the case of TIBOR): [Second Tokyo business day prior to the start of each Interest Period]

(In the case of HIBOR): [First day of each Interest Period]

(In the case of SIBOR): [Second Singapore business days prior to the start of each Interest Period]

(In the case of a CMS Rate where the Reference Currency is euro): [Second day on which the TARGET2 system is open prior to the start of each interest Period]

(In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period]

- Relevant Screen Page:

[]

(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fall back provisions appropriately)

(In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions)

- CMS Rate definitions:

[Cap means [] per cent. per annum]

[Floor means [] per cent. per annum]

[Leverage means [] per cent.]

(viii) ISDA Determination

- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []

(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked)

(ix) Margin(s): [+/-] [] per cent. per annum

(x) Minimum Rate of Interest: [] per cent. per annum

(xi) Maximum Rate of Interest: [] per cent. per annum

(xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]

15. Zero Coupon Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Accrual Yield: [] per cent. per annum

(ii) Reference Price: []

(iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]

[Actual/360]

[Actual/365]

(Consider applicable day count fraction if not U.S. dollar denominated)

PROVISIONS RELATING TO REDEMPTION

16. Issuer Call

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): []

(ii) Optional Redemption Amount(s): [] per Calculation Amount

(iii) If redeemable in part:

(a) Minimum Redemption Amount: []

(b) Higher Redemption Amount: []

17. Investor Put [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
18. Final Redemption Amount: [] per Calculation Amount
19. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes:
- (i) Form: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on not less than 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date on [] days' notice given at any time]]
- [Swiss Global Note]
- [Reg. S Global Note ([] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
- [Restricted Global Note ([] nominal amount) registered in the name of a nominee for DTC]
- [Definitive Registered Notes]
- [VPS Notes issued in uncertificated book-entry form]
- (ii) New Global Note: [Yes] [No]
21. Additional Financial Centre(s): [Not Applicable/give details]
(Note that this paragraph relates to the place of payment, and not Interest Period end dates to which sub-paragraph 14(iv) relates)
22. Talons for future Coupons to be attached to Definitive Notes: [] [Not Applicable]
23. Other final terms: [Not Applicable/give details]

Signed on behalf of DNB Bank ASA:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING:

Listing and admission to trading:

[Application has been made for the Notes to be admitted to trading on the standard for bonds of the SIX Swiss Exchange with effect from []. The last trading day is expected to be *(third business day prior to the Maturity Date)*.

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

Representation

In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange, [] has been appointed by the Issuer as representative to lodge the listing application with the SIX Exchange Regulation.

Documents Available

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

(Need to include for Notes listed on the SIX Swiss Exchange)

[Not Applicable]

2. RATINGS:

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

(The above disclosure is only required if the ratings of the Notes are different to those stated in the Prospectus)

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

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

4. USE OF PROCEEDS:

Use of Proceeds:

[]

(Only required if the use of proceeds is different to that stated in the Prospectus)

5. OPERATIONAL INFORMATION:

(i) ISIN Code:

[]

- (ii) Common Code: []
- (iii) Swiss Security Number: []
- (iv) CUSIP Number: [][Not Applicable]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, société anonyme and SIS and the relevant identification number(s): [Not Applicable/(give name(s) and number(s))/Verdipapirsentralen, Norway. VPS identification number: []. The Issuer shall be entitled to obtain certain information from the register maintained by the VPS for the purposes of performing its obligations under the issue of VPS Notes]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (including, in the case of Swiss Domestic Notes, the Swiss Paying Agent(s)) (if any): [] [Not Applicable]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] *(include this text for Registered Notes which are to be held under the NSS)* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that the Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS] *(include this text for Registered Notes which are to be held under the NSS)*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that the Eurosystem eligibility criteria have been met.]]
- (If “yes” is specified above, Bearer Notes must be issued in NGN form)*

6. **DISTRIBUTION:**

- (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Date of Subscription Agreement: [] [Not Applicable]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (v) U.S. Selling Restrictions: [TEFRA D/TEFRA D (Swiss Exemption)/TEFRA C/TEFRA not applicable]

(N.B. TEFRA D (Swiss Exemption) is available for Swiss Domestic Notes only)

(N.B. VPS Notes must be issued in compliance with TEFRA C)
- [(vi) Whether sales to QIBs under Rule 144A and/or private placement sales to Institutional Accredited Investors in the United States are permitted to be made:] [Yes: Rule 144A only/Rule 144A and Institutional Accredited Investors/No]

7. **[INFORMATION IN RELATION TO SWISS DOMESTIC NOTES AND NOTES LISTED ON THE SIX SWISS EXCHANGE ONLY:**

- (i) No Material Change: There has been no material change in the Issuer's assets and liabilities, financial position, profits or losses since *(insert date of most recent annual or interim financial statements)*.
- (ii) Notices: For so long as any Swiss Global Note representing the Notes is deposited with the Intermediary [and in the event that the Notes are no longer listed on the SIX Swiss Exchange], any notices or publications to be made to holders will be made as provided in Condition 14 by publishing the relevant notice on the following website: [].
- (iii) Notices to the Issuer: [specify/Not Applicable]

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

DTC

DTC has advised the Issuer as follows: “DTC is a limited-purpose trust company organised under the New York Banking Law, a “**banking organisation**” within the meaning of the New York Banking Law, a “**clearing corporation**” within the meaning of the New York Uniform Commercial Code and a “**clearing agency**” registered pursuant to the provisions of section 17A of the United States Securities Exchange Act of 1934. DTC holds securities that its participants (“**Direct Participants**”), including Euroclear and Clearstream, Luxembourg, deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “**Rules**”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“**DTC Notes**”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the U.S. Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (each, a “**Beneficial Owner**”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments on behalf of, and will be able to transfer the interest of, the Beneficial Owners in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each Beneficial Owner is in turn recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase but are expected to receive written confirmations regarding details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the DTC Notes are accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that the use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., as nominee of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Issuing and Principal Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payment date. Payments by Direct Participants to Indirect Participants and by Direct Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct Participants and Indirect Participants and not of DTC, the Issuing and Principal Paying Agent, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. is the responsibility of the Issuer or the Issuing and Principal Paying Agent or Paying Agent, as the case may be. Disbursement of payment received by DTC to Direct Participants shall be the responsibility of DTC.

The laws of some states within the United States may require that certain persons take physical delivery of securities in definitive form. Consequently, any transfer of beneficial interests in a Registered Global Note to such persons may require that such interests be exchanged for Registered Notes in definitive form. Because DTC can only act on behalf of Direct Participants which, in turn, act on behalf of Indirect Participants, the ability of a person having a beneficial interest in a Registered Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take action in respect of such interest, may be affected by the lack of a physical registered certificate.

DTC may discontinue providing its services as securities depository with respect to DTC Notes at any time by giving reasonable notice to the Issuer or the Issuing and Principal Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Registered Notes in definitive form would be delivered to individual Beneficial Owners. In addition, the Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Registered Notes in definitive form would be delivered to individual Beneficial Owners.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which (subject to the removal of the wording in italics in Condition 3(c) and Condition 9(a) which shall not form part of the Terms and Conditions) will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The following Terms and Conditions will be applicable to each VPS Notes. VPS Notes will not be evidenced by any physical note or document of title other than statements of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book-entry system and register maintained by the VPS. Part A of the applicable Final Terms in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to “**Form of the Notes**” for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by DNB Bank ASA (the “**Issuer**”) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 30th April, 2004 made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include any successor as Trustee).

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

- (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency;
- (ii) (in the case of Bearer Notes), definitive Bearer Notes issued in exchange (or part exchange) for a global Note;
- (iii) (in the case of Registered Notes) definitive Registered Notes;
- (iv) any global Note (including a Swiss Global Note (as defined below)); and
- (v) Notes cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen* (“**VPS Notes**” and the “**VPS**”, respectively).

The Notes and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (such Amended and Restated Agency Agreement as amended, supplemented or restated from time to time, the “**Agency Agreement**”) dated 9th October, 2012, and made between the Issuer, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the “**Agent**”, which expression shall include any successor agent), the other paying agents named therein (together with the Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as Exchange Agent (the “**Exchange Agent**”, which expression shall include any successor exchange agent), Citigroup Global Markets Deutschland AG as registrar (the “**Registrar**”, which expression shall include any successor registrar) and KBL European Private Bankers S.A. and Citigroup Global Markets Deutschland AG as transfer agents (together, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agent). Each Tranche of VPS Notes will be created and held in uncertificated book-entry form in accounts with the VPS. DNB Bank ASA, Verdipapirservice (the “**VPS Account Manager**”) will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes.

In respect of each Tranche of Swiss Domestic Notes, the Swiss principal paying agent (the “**Swiss Principal Paying Agent**”) and the other Swiss paying agents (together with the Swiss Principal Paying Agent, the “**Swiss Paying Agents**”) for such Swiss Domestic Notes will be specified in the applicable Final Terms. All references herein to the “**Agent**” and the “**Paying Agents**” shall, so far as the context permits, be deemed to include, respectively, the Swiss Principal Paying Agent and the Swiss Paying Agents and/or any other paying agent appointed in Switzerland from time to time in connection with the Swiss Domestic Notes. In respect of each Tranche of Swiss Domestic Notes, the Issuer shall enter into a Supplemental Agency Agreement (substantially in the form of Schedule 6 to the Agency Agreement) with, *inter alia*, the Swiss Paying Agents, copies of which will be obtainable during normal business hours at the specified offices of the Swiss Paying Agents.

Interest-bearing definitive Bearer Notes have interest coupons (“**Coupons**”) and, if indicated in the applicable Final Terms, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The final terms for this Note (or the relevant provisions thereof) are (except in the case of VPS Notes) set out in Part A of the Final Terms attached to or endorsed on this Note. Part A of the Final Terms (or such relevant provisions thereof) must be read in conjunction with these Terms and Conditions and may, in the case of a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC (the “**Prospectus Directive**”) as amended (which includes the amendments made by Directive 2010/73/EU (the 2010 PD Amending Directive) to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (an “**Exempt Note**”), specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the “applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof) which are (except in the case of VPS Notes) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the “**Noteholders**”, which expression shall, in relation to any Notes represented by a global Note and in relation to VPS Notes, be construed as provided below) and the holders of the Coupons (the “**Couponholders**”, which expression shall, unless the context otherwise requires, include the holders of Talons), in accordance with the provisions of the Trust Deed. VPS Notes are in dematerialised form: any references in these Terms and Conditions to Coupons and Talons shall not apply to VPS Notes and no global or definitive Notes will be issued in respect thereof. These Terms and Conditions shall be construed accordingly.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are obtainable during normal business hours at the registered office for the time being of the Trustee being at Fifth Floor, 100 Wood Street, London EC2V 7EX and at the specified office of each of the Paying Agents, the Registrar and the Transfer Agents. Copies of the applicable Final Terms may be obtained, upon request, free of charge, from the registered office of the Issuer and the specified offices of the Paying Agents save that, if this Note is an Exempt Note, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and/or the Paying Agent as to its holding of such Notes and identity. If this Note is admitted to trading on the Luxembourg Stock Exchange's regulated market, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange at www.bourse.lu. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

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

Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of any inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are in bearer form (“**Bearer Notes**”), registered form (“**Registered Notes**”) or, in the case of VPS Notes, uncertificated book-entry form, as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Save as provided in Condition 11, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Bearer Notes may not be exchanged for Registered Notes and vice versa. VPS Notes may not be exchanged for Bearer Notes or Registered Notes and vice versa.

This Note is a Fixed Rate Note, a Floating Rate Note (which term shall include a CMS Linked Interest Note if this Note is specified as being a CMS Linked Interest Note in the applicable Final Terms), a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note is an Unsubordinated Note, a Dated Subordinated Note or an Undated Subordinated Note, as indicated in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

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

Save as provided below in respect of Swiss Domestic Notes, for so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or for so long as The Depository Trust Company (“**DTC**”) or its nominee is the registered holder of a Registered Global Note or so long as the Note is a VPS Note, each person (other than Euroclear or Clearstream, Luxembourg or DTC or the VPS, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or DTC or the VPS, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Notes standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Notes is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Trustee, the Agent, the Replacement Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than (in the case only of Notes not being VPS Notes) with respect to the payment of principal or interest on the Notes, for which purpose, in the case of Notes represented by a bearer global Note, the bearer of the relevant bearer global Note or, in the case of Notes represented by Registered Global Notes, the registered holder or, in the case of a Registered Global Note registered in the name of DTC or its nominee, DTC or its nominee shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such Notes in accordance with and subject to the

terms of the relevant global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

Bearer Notes which are denominated in Swiss Francs may be represented upon issue by a permanent bearer global note (a “**Swiss Global Note**”) substantially in the form set out in the Trust Deed (“**Swiss Domestic Notes**”). The Swiss Global Note will be deposited with SIX SIS Ltd, the Swiss Securities Services Corporation located in Olten, Switzerland (“**SIS**”) or any other intermediary in Switzerland recognised for such purpose by the SIX Swiss Exchange Ltd (the “**SIX Swiss Exchange**”) (SIS or any such other intermediary, the “**Intermediary**”) until final redemption of the Swiss Domestic Notes or the printing of definitive Bearer Notes.

Once the Swiss Global Note is deposited with the Intermediary and the accounts of one or more participants of the Intermediary have been credited in accordance therewith, the Swiss Domestic Notes will constitute intermediated securities (*Bucheffekten*) (“**Intermediated Securities**”) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

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

The records of the Intermediary will determine the number of Swiss Domestic Notes held through each participant in that Intermediary. In respect of Swiss Domestic Notes held in the form of Intermediated Securities, the holders of the Swiss Domestic Notes will be the persons holding such Swiss Domestic Notes in a securities account in their own name, or in the case of Intermediaries, the Intermediaries holding the Swiss Domestic Notes for their own account in a securities account which is in their name. The terms “**Noteholder**” and “**holder**” of Swiss Domestic Notes and related expressions as used herein and in the Trust Deed shall, in relation to any such Swiss Domestic Notes held in the form of Intermediated Securities, be construed accordingly, other than with respect to the payment of principal or interest on Swiss Domestic Notes, for which purpose the bearer of the Swiss Global Note shall be treated as the holder of such Swiss Domestic Notes in accordance with and subject to the terms of the relevant Swiss Global Note.

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

Notes which are represented by a global Note and VPS Notes will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the Intermediary and/or the VPS, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the Intermediary and/or the VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Agent.

2. Status of the Unsubordinated Notes

This Condition applies only to Unsubordinated Notes specified as such in the applicable Final Terms and references to “Notes” and “Coupons” in this Condition shall be construed accordingly.

The Notes and the relative Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be

preferred by law) equally with all other unsecured obligations (including deposits) (other than subordinated obligations, if any) of the Issuer, present and future, from time to time outstanding. So long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer undertakes to ensure that the obligations of the Issuer under the Notes rank and will rank *pari passu* with all other unsecured and unsubordinated obligations (including deposits) of the Issuer and with all its unsecured and unsubordinated obligations under guarantees of obligations of third parties, in each case except for any obligations preferred by mandatory provisions of applicable law.

3. Status of the Dated and Undated Subordinated Notes

- (a) This Condition 3(a) applies only to Dated Subordinated Notes specified as such in the applicable Final Terms and references to “Notes”, “Coupons”, “Noteholders” and “Couponholders” in this Condition 3(a) shall be construed accordingly.
- (i) The Notes and the relative Coupons constitute unsecured subordinated obligations of the Issuer, subject to cancellation as described in Condition 3(c), and rank *pari passu* without any preference among themselves and at least equally with all other subordinated obligations of the Issuer (whether actual or contingent) having a fixed maturity from time to time outstanding. In the event of a liquidation, dissolution or other winding-up of the Issuer by way of public administration, there shall be payable on the Notes and Coupons (in lieu of any other payment, but subject as provided in this Condition 3), in respect of the principal amount of the Notes an amount equal to the principal amount of the Notes and, in the case of interest on the Notes, an amount equal to interest accrued to but excluding the date of repayment and any Arrears of Interest and any Additional Interest Amount and such Notes and Coupons shall be subordinated in right of payment only to the claims against the Issuer of all unsubordinated creditors of the Issuer and to claims preferred under Norwegian law generally.
- (ii) The Issuer shall not, without the prior approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, incur, create, assume, grant or permit to be outstanding any subordinated indebtedness (whether actual or contingent) having a fixed maturity unless such indebtedness is subordinated, subject to applicable law, in the event of liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration in right of payment so as to rank *pari passu* with or junior to the claims of the Noteholders and the Couponholders.
- (iii) The Issuer shall not, without the prior approval of an Extraordinary Resolution of the Noteholders, incur, create, assume, grant or permit to be outstanding any Undated Subordinated Indebtedness (whether actual or contingent) unless such Undated Subordinated Indebtedness is subordinated in right of payment, subject to applicable law, in the event of liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration so as to rank junior to the claims of the Noteholders and the Couponholders.

(b) This Condition 3(b) applies only to Undated Subordinated Notes specified as such in the applicable Financial Terms and references to “Notes”, “Coupons”, “Noteholders” and “Couponholders” in this Condition 3(b) shall be construed accordingly.

(i) *General*

The Notes and the relative Coupons constitute, in the case of the Notes, undated and, in the case of the Notes and the Coupons, unsecured subordinated obligations of the Issuer, subject to cancellation as described in Condition 3(c) and rank *pari passu* without any preference among themselves and rank at least equally with Other Pari Passu Claims from time to time outstanding. The right to payment in respect of the Notes and the Coupons is subordinated to the claims of Senior Creditors and payments of principal and interest in respect of the Notes and the Coupons are conditional upon the Issuer being Solvent at the time of payment by the Issuer and no principal or interest shall be payable in respect of the Notes or the Coupons except to the extent that the Issuer could make such payment in whole or in part, rateably with the payments in respect of Other Pari Passu Claims, and still be Solvent immediately thereafter. Payment of interest on the Notes is also subject to the provisions of Condition 4(d).

(ii) *Solvency*

The Issuer shall be “**Solvent**” (any determination of such status being a determination of “**Solvency**”) if:

- (a) it is able to pay its debts as they fall due; and
- (b) its Assets exceed its Liabilities (other than its Liabilities to Persons who are not Senior Creditors).

A report as to the Solvency of the Issuer by two (2) members of the board of directors of the Issuer or accountants of international repute appointed by the board of directors of the Issuer or (if the Issuer is in liquidation, dissolution, administration or other winding-up in the Kingdom of Norway) its board of administration shall in the absence of proven error be treated and accepted by the Issuer, the Trustee and the Noteholders and Couponholders as correct and sufficient evidence thereof.

(iii) *No Set-off*

No Noteholder or Couponholder that shall in any respect be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim in respect of amounts arising under or in connection with the Notes or the Coupons against moneys owed to the Issuer in respect of such indebtedness.

(iv) *Liquidation, Dissolution or Winding-Up*

If at any time the Issuer is liquidated, dissolved or otherwise wound-up (other than pursuant to a merger) by way of public administration, there shall be payable on the Notes and the Coupons (in lieu of any other payment, but subject as provided in this Condition 3) such amounts, if any, as would have been payable to the Noteholders and the Couponholders if, on the day prior to the commencement of the liquidation, dissolution or winding-up and thereafter, they were the holders of securities having a preferential right to a return of assets in the liquidation, dissolution or winding-up, as the case may be, over the holders of all share capital for the time being in the capital of the Issuer, on the assumption that such securities were entitled to receive on a return of capital in such liquidation, dissolution or winding-up, in respect of the principal amount of the Notes an amount equal to the principal amount of the Notes and, in the case of interest on the Notes, an amount equal to interest accrued to but excluding the date of repayment and any Arrears of Interest and any Additional Interest Amount, and where such amounts ranked at least *pari passu* with any other Undated Subordinated Indebtedness.

(v) *Limitation on other Undated Subordinated Indebtedness*

The Issuer shall not, without the prior approval of an Extraordinary Resolution of the Noteholders, incur, create, assume, grant or permit to be outstanding any Undated Subordinated Indebtedness (whether actual or contingent) unless such Undated Subordinated Indebtedness is subordinated in right of payment, subject to applicable law, in the event of liquidation, dissolution or other winding-up of the Issuer by way of public administration so as to rank *pari passu* with or junior to the claims of the Noteholders and the Couponholders.

(vi) *Definitions*

In these Terms and Conditions, the following terms shall bear the following meanings:

“**Assets**” means, at any time, the non-consolidated total assets of the Issuer, as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events, all valued in such manner as the members of the board of directors of the Issuer or the board of administration of the Issuer (as the case may be) may determine.

“**Capital Adequacy Requirements**” has the meaning specified in the definition of Optional Interest Payment Date.

“**Governmental Authority**” means the government of any jurisdiction in which the Issuer conducts all or any part of its business (including, without limitation, the government of the Kingdom of Norway and all other countries and all political subdivisions thereof), or that asserts any jurisdiction over the conduct of the affairs, or the Property, of the Issuer and any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government (including, without limitation, the Norwegian FSA).

“**Liabilities**” means, at any time, the non-consolidated total liabilities of the Issuer, as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events, all valued in such manner as the members of the board of directors of the Issuer or the board of administration of the Issuer (as the case may be) may determine.

“**Norwegian FSA**” means the Financial Supervisory Authority of Norway (*Finanstilsynet*) or such other agency of the Kingdom of Norway which assumes or performs the functions, as at the Issue Date, performed by such Authority.

“**Optional Interest Payment Date**” means any Interest Payment Date following the date as of which the Issuer's most recent quarterly report to the Norwegian FSA disclosed that it was in breach (a “**Breach**”) of the capital adequacy requirements of the Norwegian Ministry of Finance (or of such other Governmental Authority as shall at the time be the promulgator of such requirements) applicable to the Issuer (the “**Capital Adequacy Requirements**”), *provided* that such Interest Payment Date shall not be an Optional Interest Payment Date if, since the date of publication of such report, the Issuer has at any time been in compliance with the Capital Adequacy Requirements and will after such payment still be in such compliance and, *provided further*, that in the event that such report does not disclose a Breach, the relevant Interest Payment Date shall still be deemed to be an Optional Interest Payment Date if immediately after such payment there would be a Breach.

“**Other Pari Passu Claims**” means, in relation to an issue of Undated Subordinated Notes, claims of creditors of the Issuer that are subordinated so as to rank *pari passu* with the claims of the Noteholders and the Couponholders.

“**Person**” means an individual, a partnership, a corporation, a trust, an unincorporated organisation or a government or agency or political subdivision thereof.

“Property” means any interest in any kind of property or asset, whether real, personal, mixed, tangible, intangible or of any other type.

“Senior Creditors” means, in relation to an issue of Undated Subordinated Notes, creditors of the Issuer:

- (a) who are depositors or other unsubordinated creditors of the Issuer; or
- (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the liquidation, dissolution, administration or other winding-up of the Issuer or otherwise) to the claims of depositors and other unsubordinated creditors of the Issuer but have a fixed maturity, except those whose claims rank, or are expressed to rank, *pari passu* with or junior to the claims of the Noteholders and the Couponholders.

“Undated Subordinated Indebtedness” means any indebtedness of the Issuer:

- (a) that by its terms or otherwise is in any respect junior or subordinate in right of payment (whether upon liquidation, dissolution, administration or other winding-up of the Issuer or otherwise) to any other indebtedness of the Issuer; and
- (b) the principal of which has no fixed maturity.

“Violation” means the occurrence and continuation of the Issuer failing to comply, or not being in compliance, with any provision of the Notes.

(c) *Loss Absorption*

This Condition 3(c) applies both to Dated Subordinated Notes and to Undated Subordinated Notes.

Under Norwegian legislation, if the Issuer's most recent audited accounts reveal that its net assets are less than 25 per cent. of its share capital, the general meeting of shareholders of the Issuer can or the relevant authorities can if the general meeting of shareholders of the Issuer does not do so: first, cancel share capital to compensate for the shortfall and secondly, if any remaining shortfall exceeds a substantial part (as determined by the general meeting of shareholders of the Issuer or by the relevant Norwegian authorities) of the Issuer's subordinated loan capital, cancel, in whole or in part, such subordinated loan capital (which would include principal in respect of all Dated Subordinated Notes and Undated Subordinated Notes).

Norwegian legislation does not grant the Issuer or the relevant Norwegian authorities the right to cancel accrued but unpaid interest in respect of subordinated loan capital and currently there is no legal basis for the Norwegian courts to permit the Issuer or the Norwegian authorities to cancel such interest.

Pursuant to the above, for the benefit of holders of Dated Subordinated Notes, the Issuer undertakes that it will cancel all principal in respect of all Undated Subordinated Indebtedness before cancelling any principal in respect of any Dated Subordinated Notes.

The Norwegian FSA has, in a letter dated 20th September, 2000, stated that “any right for the authorities in Norway to depart from the agreed order of priority must be based in law. It is abundantly clear that such a basis is not present where the institution has been under public administration. If the authorities are to depart from the agreed order of priority outside public administration, there must be a basis for them to do so in the Guaranty Schemes Act of 6th December, 1996. Such a basis does not exist”.

The Issuer shall give not more than 30 nor less than 5 Business Days' (as defined in Condition 4(b)(i)) prior notice to the Trustee, and the Agent and/or the Registrar, as the case may be, and to the Noteholders in accordance with Condition 14 of any cancellation of principal in respect of

any Dated Subordinated Notes and/or any Undated Subordinated Notes pursuant to this Condition 3(c).

To the extent that part only of the outstanding principal amount of any Dated Subordinated Notes or Undated Subordinated Notes has been cancelled as provided above, interest will continue to accrue in accordance with the terms hereof on the then outstanding principal amount of such Dated Subordinated Notes or Undated Subordinated Notes, as the case may be, and on any Arrears of Interest (including any Additional Interest Amounts).

4. Interest

(a) *Interest on Fixed Rate Notes*

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

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

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

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if “**Actual/Actual (ICMA)**” is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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

In these Terms and Conditions:

“**Determination Period**” means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

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

(b) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

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

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment

Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “**TARGET2 System**”) is open.

(ii) *Rate of Interest*

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

(A) ISDA Determination for Floating Rate Notes

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

- (1) the Floating Rate Option is as specified in the applicable Final Terms;

- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

- (B) Screen Rate Determination for Floating Rate Notes
 - (1) Floating Rate Notes other than CMS Linked Interest Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (x) above, no such offered quotation appears or, in the case of (y) above, fewer than three such offered quotations appear, in each case as at the Specified Time.

- (2) Floating Rate Notes which are CMS Linked Interest Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be:

- (w) where "CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

- (x) where "Leveraged CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{CMS Rate}$$

- (y) where "Steepner CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Either:

(a) where "Steepner CMS Reference Rate: Unleveraged" is specified in the applicable Final Terms:

$$\text{CMS Rate 1} - \text{CMS Rate 2}$$

or

(b) where "Steepner CMS Reference Rate: Leveraged" is specified in the applicable Final Terms:

$$\text{Leverage} \times [(\text{Min}(\text{CMS Rate 1}; \text{Cap} - \text{CMS Rate 2})) + \text{Margin}]$$

(z) where "Call Spread CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{Min} [\text{Max}(\text{CMS Rate} + \text{Margin}; \text{Floor}); \text{Cap}]$$

For the purposes of this sub-paragraph (B):

"**CMS Rate**" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent. The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available ; and

"**Cap**", "**CMS Rate 1**", "**CMS Rate 2**", "**Floor**", "**Leverage**" and "**Margin**" shall have the meanings given to those terms in the applicable Final Terms.

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

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

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

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

The Agent, in the case of Floating Rate Notes other than Floating Rate Notes which are CMS Linked Interest Notes or VPS Notes, and the Calculation Agent, in the case of Floating Rate Notes which are CMS Linked Interest Notes or VPS Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Floating Rate Notes which are CMS Linked Interest Notes other than Floating Rate Notes which are VPS Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent or, in the case of Floating Rate Notes which are either VPS Notes or CMS Linked Interest Notes, the Calculation Agent, will calculate the amount of interest (the "**Interest**

Amount) payable on the Floating Rate Notes, in each case for the relevant Interest Period, by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (i) if **“Actual/Actual (ISDA)”** or **“Actual/Actual”** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if **“Actual/365 (Fixed)”** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if **“Actual/365 (Sterling)”** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if **“Actual/360”** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₂ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₂ is greater than 29, in which case D₂ will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30; and

- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls:

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(v) *Notification of Rate of Interest and Interest Amounts*

The Agent or, in the case of VPS Notes or CMS Linked Interest Notes, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and, in the case of VPS Notes, the VPS and the VPS Account Manager (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *Determination or Calculation by Trustee*

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

(vii) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Agent, the Calculation Agent (if applicable), the other Paying Agents, the Registrar, the Exchange Agent, the Transfer Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused or, in the case of Dated and Undated Subordinated Notes, the consent of the Norwegian FSA for such payment has not been given or, having been given, has been withdrawn and not replaced. In such event, interest will continue to accrue as provided in the Trust Deed.

(d) *Interest Deferral*

This Condition 4(d) applies only to Undated Subordinated Notes and references to “Notes” in this Condition 4(d) shall be construed accordingly. All payments of interest in respect of Undated Subordinated Notes are subject to the provisions of this Condition 4(d).

(i) *Arrears of Interest*

On any Optional Interest Payment Date (as defined in Condition 3(b)(vi)) there may be paid (if the Issuer so elects) the interest in respect of the Notes accrued in the Interest Period or Fixed Interest Period, as the case may be, ending on the day immediately preceding such date, but the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a Violation for any purpose provided that nothing in this Condition 4(d)(i) shall be construed to permit the Issuer to defer any interest otherwise due and payable on any Interest Payment Date except under the circumstances specified in the definition of Optional Interest Payment Date. Any interest in respect of the Notes not paid on an Interest Payment Date, together with any other interest in respect thereof not paid on any other Interest Payment Date shall, so long as the same remains unpaid, constitute “**Arrears of Interest**”. In addition, each amount of Arrears of Interest shall itself bear interest as if it were principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes and the amount of such interest (“**Additional Interest Amount**”) with respect to each amount of Arrears of Interest shall become due and payable pursuant to Condition 4(d)(ii) and shall be calculated by the Agent by applying the rate of interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in this Condition 4. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that for such purpose it will be deemed to be Arrears of Interest.

Any reference in these Terms and Conditions to interest in respect of the Undated Subordinated Notes shall be deemed to include Arrears of Interest and any Additional Interest Amounts, unless the context requires otherwise.

(ii) *Payment of Arrears of Interest*

Arrears of Interest (together with the corresponding Additional Interest Amount) shall be payable, in the case of Notes in definitive form, against presentation or surrender, as the case may be, of the relevant Coupon or, in the case of Notes represented by a global Note, against presentation or surrender, as the case may be, of such global Note, all in accordance with Condition 5. Arrears of Interest (together with the corresponding Additional Interest Amount) may at the option of the Issuer be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due on whichever is the earliest of:

- (A) seven Business Days (as defined in Condition 4(b)(i)) following the date on which the Issuer next satisfies the Capital Adequacy Requirements provided that the Issuer shall be deemed not to have satisfied the Capital Adequacy Requirements if payment of such Arrears of Interest (together with the corresponding Additional Interest Amount) would result in a Breach;
- (B) the date on which the Notes are to be redeemed pursuant to any provision of Condition 6; and
- (C) the commencement of a liquidation, administration, dissolution or other winding-up of the Issuer in the Kingdom of Norway.

If notice is given by the Issuer of its intention to pay the whole or any part of Arrears of Interest, the Issuer shall be obliged to do so (together with the corresponding Additional Interest Amount) upon the expiration of such notice.

In the event of any liquidation, administration, dissolution or other winding-up of the Issuer, the unpaid interest in respect of the Notes, including any Arrears of Interest and any Additional Interest Amounts shall rank *pari passu* with the principal of the Notes.

(iii) *Notice of Interest Deferral and Payment of Arrears of Interest*

The Issuer shall give not more than 14 nor less than 5 Business Days' (as defined in Condition 4(b)(i)) prior notice to the Trustee and the Agent and/or the Registrar, as the case may be, and to Noteholders in accordance with Condition 14:

- (A) of any Interest Payment Date on which, pursuant to the provisions of Condition 4(d)(i) above, interest will not be paid; and
- (B) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable or of any date on which the Issuer shall otherwise elect to pay any such amounts.

Notice of any mandatory or optional payment of amounts in respect of Arrears of Interest and/or Additional Interest Amounts having been given by the Issuer in accordance with Condition 4(f)(iii)(B) above, the Issuer shall be bound to make such payment to which such notice refers.

(iv) *Partial Payment of Arrears of Interest*

If amounts in respect of Arrears of Interest and Additional Interest Amounts become partially payable:

- (A) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (B) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (C) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued to the date of payment.

5. **Payments**

(a) *Method of Payment*

Subject as provided below:

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

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

(b) Payments Subject to Fiscal and other Laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto.

(c) Presentation of Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

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

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

Payments of principal and interest (if any) in respect of Notes represented by any bearer global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant bearer global Note, where applicable, against presentation or surrender, as the case may be, of such bearer global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such bearer global Note by the

Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg or the Intermediary, as applicable.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, the Intermediary or DTC as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to either (i) Euroclear, Clearstream, Luxembourg or DTC, as the case may be or (ii) in relation to Notes represented by Swiss Global Notes, the Swiss Principal Paying Agent (on behalf of the bearer of such Swiss Global Note) for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

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

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

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

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

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

Payments of principal and interest in respect of VPS Notes will be made to the Noteholders shown in the records of the VPS in accordance with and subject to the rules and regulations from time to time governing the VPS.

(d) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which is (subject to Condition 8):

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only, the relevant place of presentation;
 - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(e) *Interpretation of Principal and Interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

(f) *Payments in respect of Swiss Domestic Notes*

Notwithstanding the foregoing provisions of this Condition 5, payments of principal and interest in respect of Swiss Domestic Notes shall be made only at the offices of any Swiss Paying Agent in Switzerland in freely disposable Swiss Francs without collection costs and whatever the circumstances may be, irrespective of nationality, domicile or residence of the holder of the Swiss Domestic Notes and without requiring any certification, affidavit or the fulfilment of any other formality. Payments on the Swiss Domestic Notes will also be made irrespective of any present or future transfer restrictions and regardless of any bilateral or multilateral payment or clearing agreement which may be applicable at any time to such payment.

The receipt in full by the Swiss Principal Paying Agent on behalf of the bearer of Swiss Domestic Notes (in accordance with Swiss market practice) of the due and punctual payment of the funds in Swiss Francs in the manner provided by these Conditions shall release the Issuer from its obligations under the Swiss Domestic Notes for the payment of principal and interest due on the respective payment dates to the extent of such payments, and Noteholders must look solely to the Swiss Principal Paying Agent for their share of each payment so made by the Issuer.

6. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date. Undated Subordinated Notes have no final maturity and are only redeemable or repayable in accordance with the following provisions of this Condition.

(b) Redemption for Tax Reasons

Subject, in the case of Dated and Undated Subordinated Notes, as provided in Condition 6(i), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent (and, in the case of VPS Notes, the VPS Account Manager) and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (i)* on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii)* such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee and, in the case of VPS Notes, to the VPS Account Manager a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption and, in the case of Undated Subordinated Notes, all Arrears of Interest, including any Additional Interest Amounts.

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

This Condition 6(c) is not applicable for Dated Subordinated Notes prior to five years from their Issue Date and references to "Notes" in this Condition 6(c) shall be construed accordingly.

Subject, in the case of Dated Subordinated Notes and Undated Subordinated Notes, to obtaining the prior written consent of the Norwegian FSA as provided in Condition 6(i), if Issuer Call is specified in the applicable Final Terms, the Issuer shall, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Trustee and to the Agent and (in the case of a redemption of Registered Notes) the Registrar and (in the case of a redemption of VPS Notes) the VPS Account Manager,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes (or, as the case may be, parts of Registered Notes) to be redeemed ("**Redeemed Notes**") will be selected individually by lot without involving any part only of a Bearer Note, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC and/or the Intermediary, as the case may be, in the case of Redeemed Notes represented by a global Note and in accordance with the rules of the VPS, in the case of VPS Notes, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

(d) *Redemption at the Option of the Noteholders (Investor Put)*

This Condition 6(d) is not applicable for Dated Subordinated Notes prior to five years from their Issue Date or Undated Subordinated Notes and references to "Notes" in this Condition 6(d) shall be construed accordingly.

Subject, in the case of Dated Subordinated Notes, to obtaining the prior written consent of the Norwegian FSA as provided in Condition 6(i), if Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

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

If this Note is represented by a global Note or is a Note in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note

must, within the notice period, give notice to the Agent or the Registrar of such exercise, where applicable, in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, from time to time. Notices in respect of Swiss Domestic Notes may be given to the Swiss Principal Paying Agent in the form of a duly completed and signed Put Notice.

If this Note is a Registered Note and is cleared through DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Registrar of such exercise in the form of a Put Notice acceptable to the Registrar and irrevocably instruct DTC to debit such holder's securities account with this Note on or before the Optional Redemption Date in accordance with applicable DTC practice.

If this Note is a VPS Note, to exercise the right to require redemption of the VPS Notes, the holder of the VPS Notes, must, within the notice period, give notice to the relevant account operator of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except, in the case of Unsubordinated Notes, where prior to the due date of redemption an Event of Default shall have occurred and the Trustee has declared the Notes to be immediately due and repayable pursuant to Condition 9 in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, or, in the case of Undated Subordinated Notes, at the amount specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

where:

"**RP**" means the Reference Price;

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

is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii)

Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365),

(f) Purchases

Subject, in the case of Dated and Undated Subordinated Notes, as provided in Condition 6(i), the Issuer or any of its Subsidiaries may at any time purchase beneficially or procure others to purchase beneficially for its account Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

(g) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Notes, all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6(f) (together, in the case of definitive Bearer Notes, with all unmatured Coupons cancelled therewith) shall be forwarded to the Agent and, in the case of VPS Notes, shall be deleted from the records of the VPS and cannot be reissued or resold.

(h) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its otherwise becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i)* the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii)* five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent, the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

(i) Consent

In the case of Dated and Undated Subordinated Notes, no early redemption in any circumstances or purchase under Condition 6(f) shall take place without the prior written consent of the Norwegian FSA. For the avoidance of doubt, redemption of Dated Subordinated Notes under Condition 6(a) shall not require the consent of the Norwegian FSA.

(j) Redemption upon Capital Event – Dated and Undated Subordinated Notes

This Condition 6(j) applies only to Dated and Undated Subordinated Notes and where this Condition 6(j) is specified as being applicable in the applicable Final Terms, and references to "Notes" in this Condition shall be construed accordingly.

If a Capital Event occurs within the period from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the 90th calendar day after the date of effective implementation of CRD4 in Norway, the Issuer may, at its option, but subject to obtaining the prior written consent of the Norwegian FSA as provided in Condition 6(j) and, in the case of Undated Subordinated Notes, subject to Condition 3(b)(i), give notice on or before such 90th calendar day to the Trustee and the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed:

- (i) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than 30 nor more than 60 days from the date of such notice; or
- (ii) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 30 nor more than 60 days from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at the amount specified in the applicable Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the Issuer shall redeem the Notes.

A “**Capital Event**” means the determination by the Issuer, after consultation with the Norwegian FSA, that by reason of the non-compliance of the Notes with the criteria for Tier 2 capital, the Notes are fully excluded from Tier 2 capital, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two authorised signatories of the Issuer.

“**CRD4**” means the legislative package consisting of the Directive and the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (a revised draft of which was published on 9th January, 2012) and, in respect of Norway, as implemented by the Parliament and/or the Norwegian Ministry of Finance.

“**Tier 2 capital**” means Tier 2 capital (Norw. “*Tilleggs kapital*”) as described in paragraph 4 of the Norwegian regulation of 1990-06-01 no. 435 about calculation of risk capital of financial institutions, clearing houses and securities trading companies (Norw. “*FOR 1990-06-01 nr 435: Forskrift om beregning av ansvarlig kapital for finansinstitusjoner, oppgjørssentraler og verdipapirforetak*”), as amended or replaced.

(k) *Substitution or Variation – Dated and Undated Subordinated Notes*

This Condition 6(k) applies only to Dated and Undated Subordinated Notes and where this Condition 6(k) is specified as being applicable in the applicable Final Terms, and references to “Notes” in this Condition shall be construed accordingly.

If at any time a Capital Event occurs and is continuing, the Issuer may, subject to obtaining the prior written consent of the Norwegian FSA and, in the case of Undated Subordinated Notes, subject to Condition 3(b)(i), (without any requirement for the consent or approval of the Noteholders or the Couponholders or, subject as provided below, the Trustee) on giving not less than 30 nor more than 60 days’ notice to the Trustee and the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes and/or the terms of the Trust Deed so that they remain or, as appropriate, become, Qualifying Securities (as defined below), provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that are inconsistent with the redemption provisions of the Notes.

The Trustee shall (at the request and expense of the Issuer) agree to the substitution of the Notes for, or the variation of the terms of the Notes so that they remain or, as appropriate, become, Qualifying Securities as aforesaid, provided that (i) the Trustee receives the certificate in the form described in the definition of Qualifying Securities in accordance with the provisions thereof, and (ii) the terms of the proposed Qualifying Securities or the agreement to such substitution or variation, as the case may be, would not impose, in the Trustee’s opinion, more onerous obligations upon it or reduce its protections.

In these Conditions:

“**Qualifying Securities**” means securities issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favourable to the Noteholders as a class than the terms of the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised signatories of the Issuer shall have been delivered to the Trustee not less than five Business Days prior to (i) in the case of a substitution of the Notes, the issue of the relevant securities or (ii) in the case of a variation of the Notes, such variation, as the

case may be), provided that they shall (1) include a ranking at least equal to that of the Notes prior to such substitution or variation, as the case may be, (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights as the Notes prior to such substitution or variation, as the case may be, (4) comply with the then current requirements of the Norwegian FSA in relation to Tier 2 capital, (5) preserve any existing rights under the Notes to any accrued or deferred interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, and (6) be assigned (or maintain) the same or higher credit ratings as were assigned to the Notes immediately prior to such substitution or variation, as the case may be; and

- (b) are listed on a recognised stock exchange, if the Notes were listed immediately prior to such substitution or variation, as selected by the Issuer and approved by the Trustee.

7. Taxation

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

- (i) presented for payment in Norway; or
- (ii) presented for payment by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Kingdom of Norway other than the mere holding of such Note or Coupon; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(d)); or
- (iv) 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; or
- (v) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent or the Registrar or, in the case of VPS Notes, the holders of the VPS Notes, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

8. Prescription

The Notes (whether in bearer, registered or uncertificated book-entry form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 0 or any Talon which would be void pursuant to Condition 0.

9. Events of Default and Enforcement relating to Unsubordinated Notes

This Condition shall apply only to Unsubordinated Notes and references to “Notes” in this Condition shall be construed accordingly.

(a) The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution, shall (subject in each case to being indemnified and/or secured to its satisfaction), (but in the case of the happening of any of the events described in paragraph (ii), and (in the case of the Principal Subsidiaries only) (iii), (iv) and (v), only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount (as described in Condition 6(e)) together with accrued interest as provided in the Trust Deed if any of the following events (each an “**Event of Default**”) shall occur:

- (i) the Issuer is in default, for any reason whatsoever, for more than 14 days in the payment of any interest in respect of the Notes or for more than 7 days in the payment of any principal due on the Notes; or
- (ii) the Issuer is in default in the performance of any of its obligations (other than to make payments in respect of the Notes) contained in the Notes or the Trust Deed and (except where the Trustee considers such failure to be incapable of remedy when no such continuation or notice as is hereinafter referred to would be required) such default shall continue for more than 30 days (or such longer period as the Trustee may permit) after written notice requiring such default to be remedied shall have been given by the Trustee to the Issuer; or
- (iii) the Issuer or any of its Principal Subsidiaries goes into liquidation (except in connection with a merger or reorganisation in such a way that all assets and liabilities of the Issuer or any of its Principal Subsidiaries, as the case may be, pass to another legal person in universal succession by operation of law); or
- (iv) the Issuer or any of its Principal Subsidiaries suspends payment or announces its inability to meet its financial obligations when they fall due; or
- (v) public administration, insolvency, or moratorium proceedings are instituted against the Issuer or any of its Principal Subsidiaries which shall not have been dismissed or stayed within 60 days after institution, or if the Issuer or any of its Principal Subsidiaries applies for institution of such proceedings in respect of itself or offers or makes an arrangement for the benefit of creditors.

There are no events of default in relation to Dated or Undated Subordinated Notes.

According to the Norwegian Regulations no. 435 of 1st June, 1990 (as amended) adopted by the Norwegian FSA and circulation letter no. 36/96 from the Norwegian FSA: (i) Dated Subordinated Notes must not contain provisions permitting a Noteholder to exercise an option to redeem a Dated Subordinated Note before the stated redemption date; and (ii) Undated Subordinated Notes must not contain provisions

permitting a Noteholder to exercise an option to redeem an Undated Subordinated Note and no redemption may occur without the prior written consent of the Norwegian FSA. Notwithstanding the foregoing and subject to the right of the Issuer to defer payment of interest pursuant to Condition 4(d), in the event that the Issuer fails to pay interest or principal when due on any Dated Subordinated Note or Undated Subordinated Note, the holders of such Notes shall be entitled to bring proceedings against the Issuer for payment of such amounts.

(b) *Enforcement*

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

(c) *Definitions*

For the purposes of this Condition, “**Principal Subsidiary**” at any time shall mean a Subsidiary (as defined in the Trust Deed) of the Issuer (*inter alia*):

- (i) whose operating income attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated operating income attributable to the shareholders of the Issuer, or, as the case may be consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or
- (ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Principal Subsidiary,

all as more particularly defined in the Trust Deed.

A report by accountants of international repute appointed by the board of directors of the Issuer whether or not addressed to the Trustee that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee shall, in the absence of manifest error, be conclusive and binding on all parties.

10. **Replacement of Notes, Coupons and Talons**

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

11. **Transfer and Exchange of Registered Notes**

(a) *Form of Registered Notes*

Registered Notes of each Tranche sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the “**Securities Act**”), will initially be represented by a permanent global Note in registered form, without interest coupons (the “**Reg. S Global Note**”), which will either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg or (ii) be deposited with a common depository or common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Notes in definitive form issued in exchange for Reg. S Global Notes or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Reg. S Global Notes, are referred to herein as “**Reg. S Notes**”. Beneficial interests in a Reg. S Global Note registered in the name of a nominee of DTC may be held only through DTC directly, by a participant in DTC, or indirectly, through a participant in DTC, including Euroclear or Clearstream, Luxembourg.

Registered Notes of each Tranche sold in private transactions to qualified institutional buyers within the meaning of Rule 144A under the Securities Act (“**QIBs**”) will initially be represented by a permanent global Note in registered form, without interest coupons (the “**Restricted Global Note**” and, together with the Reg. S Global Note, the “**Registered Global Notes**”), deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Notes, are referred to herein as “**Restricted Notes**”.

Registered Notes of each Tranche sold to accredited investors (as defined in Rule 501(a) (1), (2), (3) or (7) under the Securities Act) which are institutions (“**Institutional Accredited Investors**”) who agree to purchase the Notes for their own account and not with a view to the distribution thereof will be in definitive form, registered in the name of the holder thereof.

Registered Notes in definitive form issued to Institutional Accredited Investors and Restricted Notes shall bear the legend set forth in the Restricted Global Note (the “**Legend**”), such Notes being referred to herein as “**Legended Notes**”. Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall (save as provided in Condition 11(f)) deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in this Condition 11, Registered Notes in definitive form may be exchanged or transferred in whole or in part in the authorised denominations for one or more definitive Registered Notes of like aggregate nominal amount.

(b) Exchange of interests in Registered Global Notes for Registered Notes in definitive form

Interests in the Reg. S Global Note and the Restricted Global Note will be exchangeable for Registered Notes in definitive form if (i) Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depository for such Registered Global Note or (ii) if applicable, DTC ceases to be a “Clearing Agency” registered under the Securities Exchange Act of 1934, as amended, or the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced its intention permanently to cease business or has in fact done so, and a successor depository or alternative clearing system satisfactory to the Issuer, the Trustee and the Agent is not available, or (iii) in the case of Unsubordinated Notes, an Event of Default (as defined in Condition 9) has occurred and is continuing with respect to such Notes or, in the case of Dated Subordinated Notes or Undated Subordinated Notes, a payment default has occurred and is continuing with respect to such Notes, or (iv) the holder of a beneficial interest in the Restricted Global Note notifies the Registrar in writing that it is transferring such beneficial interest to an Institutional Accredited Investor who is required to hold its beneficial interest in the Registered Notes in definitive form, or (v) if the applicable Final Terms so permit, a written request for one or more Registered Notes in definitive form is made by a holder of a beneficial interest in a Registered Global Note; provided that in the case of (v) such written notice or request, as the case may be, is submitted to the Registrar by the beneficial owner not later than 60 days prior to the

requested date of such exchange. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Registered Notes in definitive form to be delivered provided that, notwithstanding the above, no Reg. S Notes in definitive form will be issued until the expiry of the period that ends 40 days after completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the Lead Manager, in the case of a syndicated issue (the “**Distribution Compliance Period**”).

(c) *Transfers of Registered Global Notes*

Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

(d) *Transfers of interests in Reg. S Global Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Reg. S Global Note to a transferee in the United States will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a “**Transfer Certificate**”), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:
 - (A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
 - (B) to a person who is an Institutional Accredited Investor, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an “**IAI Investment Letter**”); or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities law of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (A) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (B) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Reg. S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(e) *Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Reg. S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note:

- (A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

(f) *Exchanges and transfers of Registered Notes generally*

Registered Notes may not be exchanged for Bearer Notes and vice versa.

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

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

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms) by the holder or holders surrendering the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer, the Trustee and the Registrar, or as the case may be, the relevant Transfer Agent prescribe, including any restrictions imposed by the Issuer on transfers of Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Registered Note in definitive form for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 60

days after the receipt by the Registrar or as the case may be, relevant Transfer Agent of the Registered Note in definitive form to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

(g) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 6, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(h) Closed Periods

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

(i) Costs of exchange or registration

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

12. Agent, Paying Agents, Exchange Agent, Transfer Agents, Registrar and VPS Account Manager

The names of the initial Agent, the initial Registrar and the other initial Paying Agents, the initial Exchange Agent and the initial Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent or the Registrar or the Exchange Agent or any Transfer Agent or any VPS Account Manager or any Calculation Agent and/or appoint additional or other Paying Agents or additional or other Registrars, Exchange Agents, Transfer Agents, VPS Account Managers or Calculation Agents and/or approve any change in the specified office through which any Paying Agent, Registrar, Exchange Agent, Transfer Agent, VPS Account Manager or Calculation Agent acts, provided that (other than in the case of Swiss Domestic Notes):

- (i)* so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Agent), in the case of Bearer Notes, and a Transfer Agent (which may be the Registrar), in the case of Registered Notes, with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;
- (ii)* there will at all times be a Paying Agent (which may be the Agent) with a specified office in a city in continental Europe outside Norway;
- (iii)* there will at all times be an Agent;
- (iv)* there will at all times be a Transfer Agent having a specified office in a place approved by the Agent;
- (v)* so long as any of the Registered Global Notes are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in London;
- (vi)* there will at all times be a Registrar with a specified office outside the United Kingdom and, so long as the Notes are listed on any stock exchange, in such place as may be required by the rules and regulations of the relevant stock exchange;
- (vii)* there will at all times be a Paying Agent in a Member State of the European Union 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;

- (viii) there will at all times be a Paying Agent in a jurisdiction within Europe other than Switzerland that will not be required to withhold or deduct tax pursuant to laws enacted in Switzerland providing for the taxation of payments according to principles similar to those laid down (A) in European Council Directive 2003/48/EC or (B) in the draft legislation proposed by the Swiss Federal Council on 22nd December, 2010, in particular the principle to have a person other than the Issuer withhold or deduct tax; and
- (ix) in the case of VPS Notes, there will at all times be a VPS Account Manager authorised to act as an account operating institution with the VPS and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VPS Notes so require.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the eleventh paragraph of Condition 50. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency or of a Paying Agent failing to become or ceasing to be a participating foreign financial institution for the purposes of the Code, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In the case of Swiss Domestic Notes, the Issuer will at all times maintain a Paying Agent having a specified office in Switzerland and qualifying as a Swiss bank or securities dealer and will at no time appoint a Paying Agent having a specified office outside Switzerland in relation to such Swiss Domestic Notes and so long as the Swiss Domestic Notes are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Agent) with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority.

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

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

14. Notices

All notices regarding the Bearer Notes (other than Swiss Domestic Notes) shall be published (i) in a leading English language daily newspaper of general circulation in London, and (ii) if and for so long as the Bearer Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange, either in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange, www.bourse.lu. It is expected that any such publication in a newspaper will be made (i) in the *Financial Times* or any other daily newspaper in London and (ii) either in the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Bearer Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper or where published in such newspapers on different dates, the last date of such first publication. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on a stock exchange, the rules of such stock exchange (or other relevant authority) permit), so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or DTC, be substituted for such publication in such newspaper(s) or mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be.

Notices to be given by any holder of the Notes (other than Swiss Domestic Notes) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes is represented by a global Note, such notice may be given by any holder of a Note to the Agent or the Registrar via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Agent and/or the Registrar and/or Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose. Notices to be given by any holder of Swiss Domestic Notes shall be given in the manner specified in the applicable Final Terms.

Notices to holders of Swiss Domestic Notes will, save where another means of effective communication has been specified in the applicable Final Terms, be deemed to be validly given (i) if published in a leading daily newspaper with national circulation in Switzerland (which is expected to be the *Neue Zürcher Zeitung*), (ii) in the case of Swiss Domestic Notes represented by a Swiss Global Note and not admitted to trading on the standard for bonds of the SIX Swiss Exchange, if published on the website specified in the applicable Final Terms or (iii) in the case of Swiss Domestic Notes admitted to trading on the standard for bonds of the SIX Swiss Exchange, if published in electronic form on the website of the SIX Swiss Exchange (www.six-swiss-exchange.com) under the section headed "Official Notices" or otherwise in accordance with the regulations of the SIX Swiss Exchange. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the date of such delivery.

In the case of VPS Notes, notices shall be given in accordance with the procedures of the VPS.

15. Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

(i) Holders of Bearer Notes and/or Registered Notes

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. The Issuer, with the agreement of the Trustee, may modify or vary such provisions to reflect the requirements from time to time of Euroclear, Clearstream, Luxembourg or the Intermediary. Any such modification or variation will be notified to the Noteholders in accordance with Condition 14. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that

at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(ii) *Holder of VPS Notes*

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the VPS Notes or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 5 per cent. in nominal amount of the VPS Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding a certificate (dated no earlier than 14 days prior to the meeting) from either the VPS or the VPS Account Manager stating that the holder is entered into the records of the VPS as a Noteholder or representing not less than 50 per cent. in nominal amount of the VPS Notes for the time being outstanding and providing an undertaking that no transfers or dealing have taken place or will take place in the relevant VPS Notes until the conclusion of the meeting, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Notes or the Trust Deed (including modifying the date of maturity of the VPS Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

For the purposes of a meeting of Noteholders, the person named in the certificate from the VPS or the VPS Account Manager described above shall be treated as the holder of the VPS Notes specified in such certificate provided that he has given an undertaking not to transfer the VPS Notes so specified (prior to the close of the meeting) and the Trustee shall be entitled to assume that any such undertaking is validly given, shall not enquire as to its validity and enforceability, shall not be obliged to enforce any such undertaking and shall be entitled to rely on the same.

(b) *Modification, Waiver and Substitution*

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest or (to the satisfaction of the Trustee) proven error or to comply with mandatory provisions of Norwegian law. Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer, to the substitution in place of the Issuer (or of any previous substitute under this Condition) (the “**Substituted Obligor**”) as the principal debtor under the Notes, Coupons and the Trust Deed of another company, being a Subsidiary of the Issuer or a successor in business of the Issuer or a Subsidiary of the successor in business of the Issuer, subject to (a) unless such substituted company is a successor in business of the Issuer, the Notes being unconditionally and irrevocably guaranteed by the Issuer or its successor in business, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change in the law governing the Notes, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

Notice of any such substitution shall be given by the Substituted Obligor to the Noteholders in accordance with Condition 14 and the provisions of the Trust Deed.

16. Indemnification of the Trustee and Trustee Contracting with the Issuer

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes (“**Further Notes**”) having terms and conditions the same as

the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes provided, however, that in the case of any issue of Notes in registered form, for purposes of U.S. federal income taxation (regardless of whether any Noteholders are subject to U.S. federal income tax laws) are either (i) not issued with original issue discount, (ii) issued with less than a *de minimis* amount of original issue discount, or (iii) issued in a “qualified reopening” for U.S. federal income tax purposes.

18. Covenant

This Condition 18 applies only to Undated Subordinated Notes and references to “Notes” and “Noteholders” in this Condition 18 shall be construed accordingly.

The Issuer covenants that it will not make any distribution to holders of share capital of the Issuer or to other creditors ranking junior to the Noteholders while any Arrears of Interest (including any corresponding Additional Interest Amount) remains outstanding in respect of the Notes.

19. Provision of Information

For so long as any Notes remain outstanding and are “restricted securities” (as defined in Rule 144(a)(3) under the Securities Act), the Issuer shall, during any period in which it is neither subject to Sections 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any holder of, or beneficial owner of an interest in, such Notes in connection with any resale thereof and to any prospective purchaser designated by such holder or beneficial owner, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

20. Third Party Rights

Save as provided in Condition 19, no rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21. Governing Law and Submission to Jurisdiction

- (a) The Trust Deed, Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, English law except for the provisions of Condition 3 and Condition 4(d) which shall be governed by, and shall be construed in accordance with, the laws of the Kingdom of Norway. VPS Notes must comply with the Norwegian Securities Register Act of 5th July, 2002 no. 64, as amended from time to time and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.
- (b) The Issuer agrees, for the exclusive benefit of the Trustee, the Paying Agents, the Noteholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Agency Agreement, the Notes and/or the Coupons (including a dispute relating to any non-contractual obligations arising therefrom or in connection therewith) and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection therewith) 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 Bank ASA (London Branch) at its registered office for the time being at 20 St Dunstan's Hill, London EC3R 8HY as its agent for service of process, and undertakes that, in the event of DNB Bank ASA (London Branch) ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings.

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

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

Introduction

DNB ASA and its subsidiaries (the “**Group**” or “**DNB**”) constitute Norway's largest financial services group in terms of total assets with consolidated assets of approximately NOK 2,372 billion as at 30th June, 2012 (*source: DNB*). The Group has more than 2.1 million private individual customers, more than 210,000 corporate customers and around 1,000,000 insurance customers in Norway.

The Group offers a full range of financial services including lending, deposits, foreign exchange and interest rate products, investment banking products, life insurance and pension saving products, non-life insurance products, equity funds, asset management and securities operations as well as real estate brokering. In all segments of the Norwegian financial sector, the Group enjoys leading market positions.

DNB Bank ASA (the “**Issuer**” or “**DNB Bank**”) is Norway's largest bank. As of 29th February, 2012 DNB's market share (Norwegian customers) in lending to households was 27.9 per cent. and 13.9 per cent. in corporate lending (*source: Norges Bank and DNB*). DNB Bank is 100 per cent. owned by DNB ASA.

Legal structure

The merger between DnB Holding ASA and Gjensidige NOR ASA was registered in the Register of Business Enterprises on 4th 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 19th January, 2004. Union Bank of Norway ASA was the acquiring bank. Through various mergers, it can trace its roots back to 1822, when Norway's first savings bank was founded. The new bank was named DnB NOR Bank ASA. With effect from 11th November, 2011, DnB NOR Bank ASA was renamed DNB Bank ASA.

On 10th 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 24th May, 1961 No. 2 (the “**Commercial Banks Act**”).

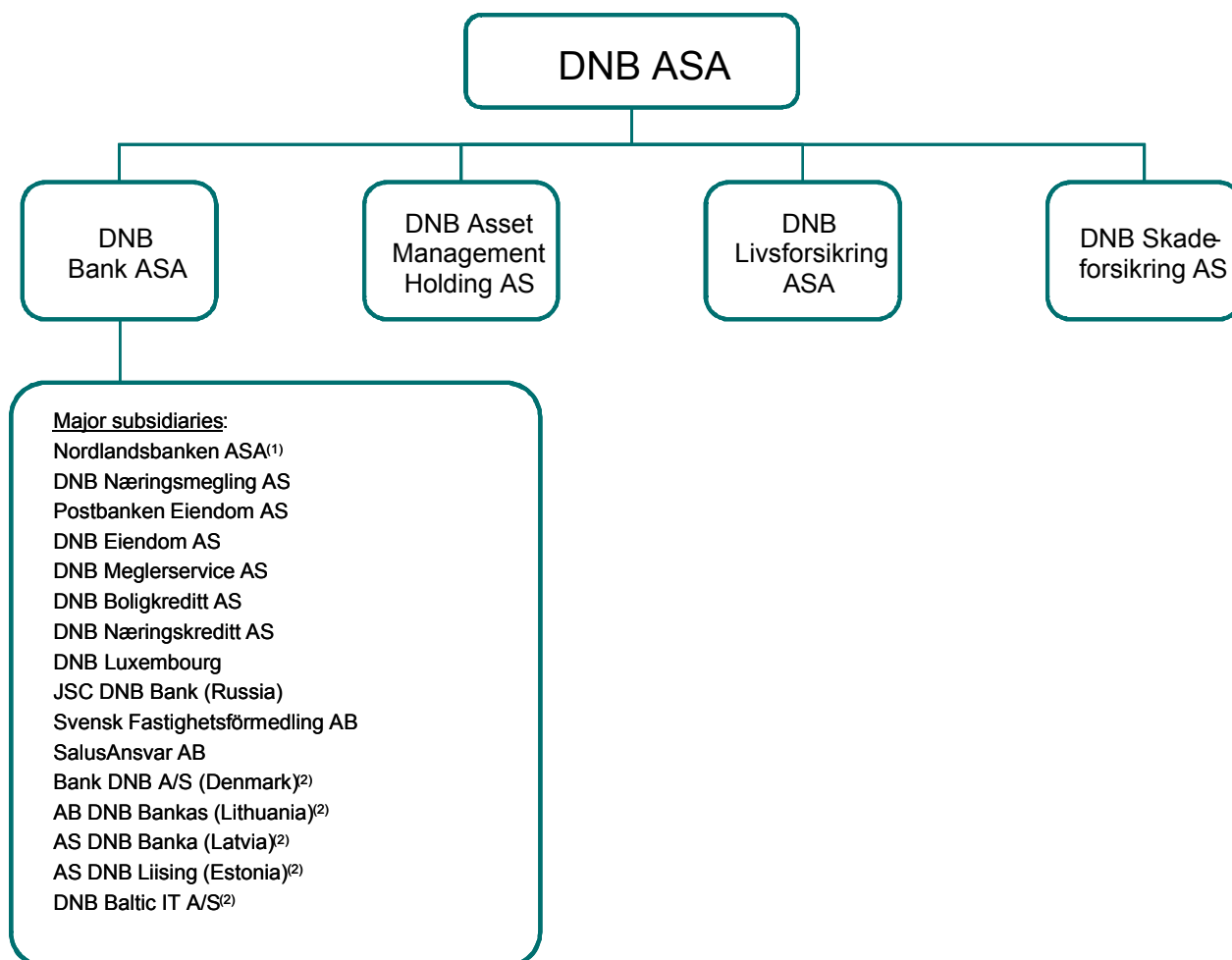
On 31st May, 2012, the Board of Directors (as defined below) approved the merger of the Issuer and Nordlandsbanken ASA. The merger became effective on 1st October, 2012.

The registered office of the Issuer is at Dronning Eufemias gate 30, N-0021, Oslo, Norway and its telephone number is +47 915 03000.

Corporate object

Pursuant to Article 1-2 of the Articles of Association of the Issuer, the corporate object of the Issuer is to perform all types of business and services that are customary or natural for banks to engage in within the scope of Norwegian legislation in force at any time.

DNB Group - legal structure at end-June 2012



1) On 31st May, 2012, the Board of Directors approved the merger of the Issuer and Nordlandsbanken ASA. The merger became effective on 1st October, 2012

2) Operations in DNB Baltics and Poland will be integrated into DNB and are thus under restructuring. As part of the integration, ownership of the banks in Lithuania and Latvia was transferred to DNB at end-June 2011. In the first quarter of 2012 the ownership of AS DNB Liising in Estonia was transferred to Norway. In the second quarter of 2012 the ownership of DNB Baltic IT A/S was transferred to Norway. Bank DNB A/S in Denmark still owns the operations in Poland and the branch in Estonia, but the ownership will be transferred as soon as possible in 2012. Following the restructuring, Bank DNB A/S in Denmark will only engage in investment activity

DNB Bank's strategy

DNB Bank is the main unit in DNB, and DNB Bank's strategy is thus clearly co-ordinated with the Group's overall strategy.

DNB's strategy

DNB's vision and values are about putting customers in focus. By having satisfied customers whose needs for financial services are well met, DNB aims to become the leading bank throughout Norway and a leading international player within selected customer segments, products and geographic areas.

Vision and values

An important target for the Group is to achieve even stronger customer orientation in its operations and improve customer satisfaction.

DNB's vision, creating value through the art of serving the customer, is supported by the values of being helpful, professional and showing initiative.

Employees who are helpful, professional and show initiative are vital if DNB is to succeed in implementing its strategy.

Strategy

By capitalising on the Group's strengths and unique position, DNB aims to become the leading bank throughout Norway and a leading international player within selected customer segments, products and geographic areas. DNB's target segments are shipping, energy and seafood. DNB aims to:

- build and strengthen long-term relations with high-quality customers;
- build long-term relations with the largest corporate clients and focus on selected industries based on its core competencies;
- be among the most cost-effective market players in Europe;
- co-ordinate group and support functions to ensure consistent deliveries, standardised processes and greater automation; and
- give priority to long-term value creation for its shareholders and aims to achieve a return on equity and a market capitalisation which are competitive in relation to its Nordic peers.

DNB's ambitions are to strengthen and consolidate its position in Norway, achieve profitable international growth and be among the most productive banks in Europe.

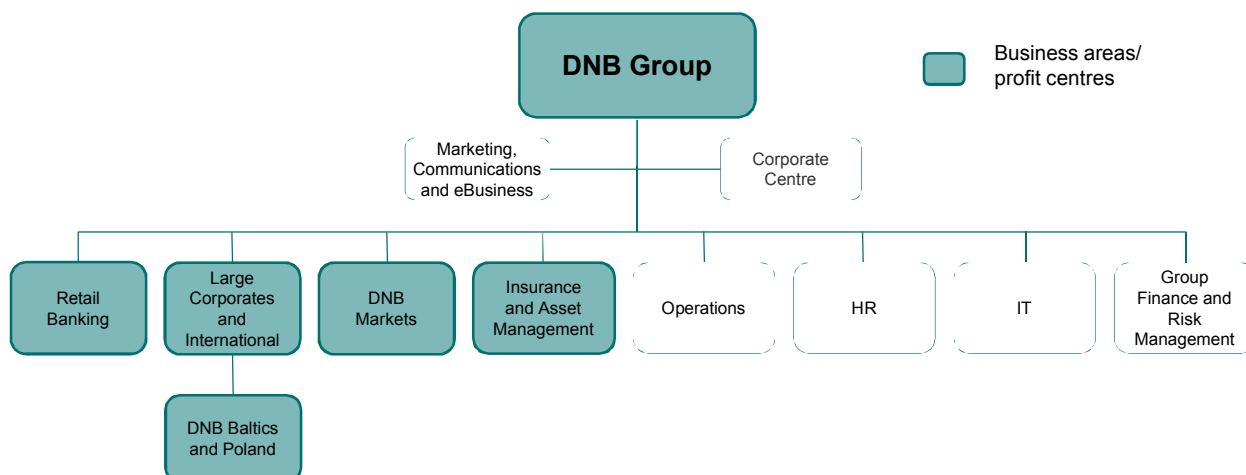
Business Areas / Segments

The activities in DNB Bank are organised in the business areas Large Corporates and International, Retail Banking and DNB Markets. In addition to these business areas, the Group includes the business area Insurance and Asset Management. The different business areas operate as independent profit centres and have responsibility for serving the Group's customers and for the total range of products. DNB Baltics and Poland's operations are organised as a separate division in Large Corporates and International, but is reported as a separate profit centre.

Operational tasks and group services are carried out by the Group's staff and support units, which provide infrastructure and cost efficient services to the business areas. In addition, they perform functions for governing bodies and group management. The business areas have the opportunity to influence staff and support units in the Group by changing their demand patterns and levels of ambition.

The operational structure of DNB deviates from its legal structure. The operational structure is adapted to the Group's business operations and aims to ensure good customer service, innovative product development and more effective operations. All activities in subsidiaries fall within the business area relevant to the company's primary operations.

DNB Group – organisation chart as at end – June 2012 ¹⁾



1) Reporting structure.

Large Corporates and International

Large Corporates and International serves the largest corporate customers in Norway and is responsible for the Group's international operations. Long-term customer relationships based on sound industry and product expertise play a central role. International initiatives are based on long experience within the business area's strategic priority areas, which are shipping, energy and seafood. Operations are managed along both an industry dimension and a geographic dimension.

Large Corporates and International offers Norwegian and international businesses a broad range of financial products and services, in co-operation with several of the Group's product areas, including various types of financing solutions, deposits and investments, everyday banking services, insurance, e-commerce products, commercial property brokerage, foreign currency and interest rate products, trade finance, equity trading and corporate finance.

The business area is responsible for payment services for all corporate clients in the Group, including cash management services, and for developing advanced payment and liquidity management systems. The international cash pool system enables customers to optimise their liquidity management across countries and currencies. The system spans all continents and makes it possible to offer local solutions and expertise in individual regions. Straightforward, well-functioning solutions and global accessibility are important to ensure the best possible customer service independent of geographic location.

Customers are served through central customer service departments, financial services and business centres and regional offices in Norway, as well as through the bank's telephone and internet banks. The Group's corporate clients are offered services internationally through offices in New York, Houston, Santiago, London, Singapore, Shanghai, Mumbai, Copenhagen, Hamburg, Helsinki, Stockholm, Gothenburg and Malmø. DNB is represented in Murmansk in Russia through the subsidiary JSC DNB Bank, which is licensed to engage in banking operations throughout Russia.

Retail Banking

Retail Banking is responsible for serving private individuals and small and medium-sized enterprises in Norway. The business area is divided into seven geographical divisions. In addition, DNB Privatbank, Telephone and Online Banking and DNB Finans are organised as separate divisions. The subsidiaries Nordlandbanken, DNB Eiendom and Postbanken Eiendom, together with Svensk Fastighetsförmedling and SalusAnsvar in Sweden, are also part of the business area. In DNB's consolidated accounts, DNB Boligkreditt is reported along with the Retail Banking business area.

Retail Banking offers a wide range of financial products and services. The major distribution channels are branch offices, Investment Advisory Services, in-store postal and banking outlets, the postal network, postal offices, internet and telephone and real estate outlets in Norway and Sweden. DNB Bank and Norway Post have an agreement relating to the distribution of financial services through the postal network. Postbanken and Norway Post have established joint service solutions provided through in-store postal outlets where customers can carry out everyday banking transactions in their local supermarkets. The distribution of standard banking services through in-store banking outlets is based on an agreement between DNB and NorgesGruppen.

DNB's real estate brokerage activities in Norway are carried out through DNB Eiendom and Postbanken Eiendom. As of 30th June, 2012, DNB had 136 real estate outlets in Norway and 228 real estate outlets in Sweden through Svensk Fastighetsförmedling. Retail Banking provides administrative, financial and risk-reducing services related to investments and operations through DNB Finans. DNB's card-based services and consumer finance activities are also co-ordinated in DNB Finans (an entity within DNB Bank).

Retail Banking has more than 2.1 million private individual customers, of which 1.5 million are regular internet banking customers. At end-June 2012, 1.5 million customers had loyalty programmes and product packages. This number is rising, entailing that a growing number of customers choose to use a wider range of the Group's products. Furthermore, Retail Banking had 221,000 corporate customers at end-June 2012.

Residential mortgage loans are by far the most important lending product of Retail Banking. Of total average lending within Retail Banking at 30th June, 2012, NOK 564 billion was in the form of residential mortgages. Of the residential mortgages, approximately 88 per cent. were loans with a loan to collateral value ratio of 60 per cent. or less and approximately 97 per cent. were loans with a loan to collateral value ratio of 80 per cent. or less.

DNB Markets

DNB Markets is Norway's largest provider of a wide range of securities and investment banking services. DNB Markets comprises the following units: Fixed Income/Currencies/Commodities, Equities, Investment Products, Corporate Finance and Securities Services. Maintaining a broad distribution network and effective co-operation with other business areas within the Group, such as Large Corporates and International and Retail Banking, are key priorities for DNB Markets. Customers are served through central units located in Oslo, international offices (Stockholm, London, New York, Houston, Singapore and Shanghai) and 12 regional offices in Norway.

DNB Markets is Norway's largest provider of securities and investments services. DNB Markets offers currency, interest rate and commodity derivatives, securities and other investment products, debt and equity financing in capital markets, as well as merger and acquisition and other advisory and corporate finance services and custodial and other securities services.

DNB Markets maintains its leading market position in Norway within foreign exchange and interest rate trading and was the largest brokerage house on the Oslo Børs for fixed income securities in the secondary market in the second quarter of 2012 (*source: Oslo Stock Exchange*). DNB Markets was also manager for the greatest number of Norwegian kroner bond and commercial paper issues in the Norwegian domestic market in the second quarter of 2012 (*source: Stamdata, Bloomberg*). Furthermore, DNB Markets operated as registrar for 53.7 per cent of the limited companies registered in the Norwegian Central Securities Depository, VPS (*source: Norwegian Central Securities Depository*).

DNB Baltics and Poland

DNB's operations in the Baltics and Poland are organised under the Large Corporates and International business area. DNB Baltics' core markets are Estonia, Latvia and Lithuania, where the bank has either a strong market position or a long-term growth potential. The bank provides a broad range of products to both the retail and corporate markets and is committed to developing a strong brand as a full-service bank. The strategy in Poland has been changed, whereby future operations will focus on the corporate market within the DNB Group's international priority areas. At end-June 2012, DNB Baltics had 113 branches and offices in the three countries and served around 1 million customers.

Insurance and Asset Management

In addition to the business areas in DNB Bank described above, the Group includes the business area Insurance and Asset Management. This business area is responsible for life insurance, pension savings, non-life insurance and asset management operations. The business area consists of DNB Livsforsikring ASA and DNB Asset Management Holding AS and their respective subsidiaries in addition to DNB Skadeforsikring.

DNB Livsforsikring

DNB Livsforsikring is the largest life insurance and pension provider in Norway and had a 28.9 per cent market share of total policyholders' funds as at end-March 2012 (*source: Finance Norway (FNO)*). DNB Livsforsikring 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 savings products with guaranteed rates of return and products with a choice of investment profile. DNB Livsforsikring also offers employer's liability insurance to the corporate market. Policyholders in DNB Livsforsikring numbered approximately 1,000,000 at end-June 2012.

DNB Asset Management

DNB Asset Management provides mutual funds and discretionary portfolio management services to Norwegian, Nordic and European corporate clients, the public sector, private pension funds and retail clients. DNB Asset Management serves the Nordic and European savings markets, offering domestic and international asset management services.

DNB Asset Management is a leading market participant within asset management for retail and institutional clients in Norway. The company also has a prominent position in the institutional mutual fund market in Sweden.

Overview of the Issuer's Subsidiaries

The following table provides a summary of the subsidiaries of the Issuer as of 31st December, 2011.

Investments in subsidiaries as at 31st December, 2011

						DNB Bank ASA	
<i>Amounts in NOK 1000</i>		Share capital	Number of shares	Nominal value	Ownership		
<i>Values in NOK unless otherwise indicated</i>					share in percent	Book value	
Foreign subsidiaries							
BANK DNB A/S	EUR	17 15 595	17 15 595 100	EUR	17 15 595	100.0	9 050 921
AB DNB bankas	LTL	656 665	5 710 134	LTL	656 665	100.0	2 871 727
AS DNB banka	LVL	134 361	134 360 900	LVL	134 361	100.0	2 320 160
Den Norske Syndicates	GBP	200	200 000	GBP	200	100.0	1 860
DNB Asia	SGD	20 000	20 000 000	SGD	20 000	100.0	92 358
DNB Luxembourg	EUR	17 352	70 000	EUR	17 352	100.0	134 758
DNB Markets Inc.	USD	1	1 000	USD	1	100.0	2 193
DNB Monchebank	RUB	800 000	800 000 000	RUB	800 000	100.0	243 048
DNB Reinsurance		21 000	21 000		21 000	100.0	21 000
SalusAnsvar	SEK	85 614	214 035 68	SEK	85 614	100.0	509 065
SC Finans	SEK	126 025	126 025	SEK	126 025	100.0	166 118
Svensk Fastighetsförmedling	SEK	8 940	89 400	SEK	8 940	100.0	33 795
Domestic subsidiaries							
Bryggetorget		2 500	2 500		2 500	100.0	110 000
DNB Boligkreditt		1 827 000	1 827 000		1 827 000	100.0	12 420 000
DNB Eiendom		10 003	100 033		10 003	100.0	150 349
DNB Eiendomsutvikling		91 000	910 000		91 000	100.0	226 331
DNB Gjenstandsadministrasjon		3 000	30		3 000	100.0	3 000
DNB Invest Holding		100 000	200 000		100 000	100.0	243 000
DNB Meglerservice		1 200	12		1 200	100.0	10 221
DNB Næringskreditt		550 000	550 000		550 000	100.0	5 240 942
DNB Næringsmegling		1 000	10 000		1 000	100.0	24 000
Hafjell Holding		10 000	1 000		10 000	100.0	12 400
Nordlandsbanken		625 062	50 004 984		625 062	100.0	1 864 444
Postbanken Eiendom		2 000	20 000		2 000	100.0	7 672
Viul Drift		2 629	2 628		2 629	100.0	3 118
Total investments in subsidiaries							35 762 581

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 quantifies risk-adjusted capital for the following risk categories: credit risk, market risk, insurance risk, 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 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.

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, leasing, factoring, 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. Credit spread risk, which is the risk of losses in the form of a decline in value of the securities portfolio due to an increasing difference between the effective yields on the portfolio and on government paper, is also included in the measurement of credit risk.

DNB'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's low risk profile target.

Credit strategies are worked out for all business areas carrying credit risk. The strategies have been approved by the Board of Directors and are reviewed on an annual basis. Credit approval authorisations are personal and graded on the basis of customers' 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. All corporate commitments are subject to annual risk classification and review.

The Group aims to avoid large risk concentrations, including large exposures to a customer or customer group as well as clusters of commitments in high-risk categories, industries and geographical areas. Developments in risk concentrations are monitored closely with respect to volume, risk category and risk-adjusted capital. Exposures to large customers and customer groups are followed up based on risk category and risk-adjusted capital.

The risk classification systems are used as decision support and for continual risk monitoring and reporting. Probability of default, expected losses and risk-adjusted capital for commitments on an individual and portfolio basis are an integral part of the credit process and ongoing monitoring, including the follow-up of credit strategies.

The Group was granted permission by the Financial Supervisory Authority of Norway to use the IRB approach for credit risk to calculate the Group's capital adequacy as from 1st January, 2007 according to a roll-out plan, starting with retail mortgages and SME portfolios. As from 2009, the SME portfolio has been reported by use of the IRB advanced approach and from 2010 the larger part of other corporate exposures were also reported on an IRB advanced basis. According to the plan most of the different credit portfolios will have their risk-weighting based on IRB-models by the end of 2012.

Market risk

Market risk arises as a consequence of the banking group's unhedged 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 in banking operations represents a moderate share of the Group's total risk and relates primarily to long-term investments in equity instruments. However, the Group is exposed to substantial market risk in the insurance operations, in particular in the life insurance company Vital.

Liquidity risk

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

Liquidity risk is managed and measured using various measurement techniques. The Board of Directors has established limits which restrict the volumes to be refinanced within various time brackets. 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, long-term funding and primary capital. Liquidity risk management includes stress testing, simulating the liquidity effect of a downgrading of the bank's

international credit rating following one or more negative events. The results of such stress testing are included in the banking group's contingency plan for liquidity management during a financial crisis.

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 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 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.

In addition to the risks described above, the Group is exposed to life and non-life insurance risks.

SHAREHOLDERS, MANAGEMENT AND EMPLOYEES

The Issuer is 100 per cent. owned by DNB ASA. The following table sets forth, as at 30th June, 2012, the 20 largest shareholders of DNB ASA, the number of shares held by each such shareholder, and the percentage of outstanding shares represented by each shareholding.

Major Shareholders

	Shares in 1 000	Ownership in %
Norwegian Government/Ministry of Trade and Industry	553 792	34.00
Sparebankstiftelsen DNB NOR (Savings Bank Foundation)	164 768	10.12
Folketrygdfondet	91 228	5.60
Blackrock Investments	29 884	1.83
Capital Research/Capital International	25 580	1.57
People's Bank of China	24 549	1.51
Fidelity Investments	23 089	1.42
Newton Investment Management	22 996	1.41
DNB Funds	19 715	1.21
Vanguard Investment Funds	15 491	0.95
Jupiter Asset Management	14 794	0.91
T. Rowe Price International	13 246	0.81
Threadneedle Investment Funds	13 199	0.81
Schroder Investment	13 036	0.80
Saudi Arabian Monetary Agency	11 450	0.70
Nordea Funds	10 729	0.66
Kuwait Investment Authority Funds	9 988	0.61
State Street Global Advisors	9 748	0.60
Legal and General	9 502	0.58
Statoil Insurance & Pension	8 970	0.55
Total largest shareholders	1 085 753	66.66
Other	543 046	33.34
Total	1 628 799	100.00

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 shareholders 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 Amund Skarholt and the current vice-chairman is Eldbjørg Løwer.

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 income statement 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 when requested 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 and their business addresses are as follows:

a) Members elected by the shareholders

Name	Business address
Amund Skarholt (Chairman)	Fritznersgt. 20, 0264 Oslo, Norway
Eldbjørg Løwer (Vice-chairman)	Tollumløkka 39A, 3611 Kongsberg, Norway
Inge Andersen	Ullevål Stadion, 0840 Oslo, Norway
Nils Halvard Bastiansen	Postboks 1845 Vika, 0123 Oslo, Norway
Toril Eidesvik	Strandgt 92, 5528 Haugesund, Norway
Camilla Grieg	C. Sundtsgt. 17-19, Postboks 781, Sentrum, 5807 Bergen, Norway
Leif O. Høegh	5 Young Street, London W8 5EH, England
Nalan Koc.....	Framsenteret, 9296 Tromsø, Norway
Thomas Leire.....	Postboks 409, 4604 Kristiansand, Norway
Helge Møgster	Alfabygget, 5392 Storebø, Norway
Ole Robert Reitan	Postboks 6428, Etterstad, 0605 Oslo, Norway
Gudrun B. Rollesen.....	Sjøgata 6, 9600 Hammerfest, Norway
Arthur Sletteberg.....	Postboks 34, 1324 Lysaker (Strandveien 50E), Norway
Merete Smith	Kristian Augustgt 9, 0164 Oslo, Norway
Birger Solberg.....	P.O.BOX 45, 1309 Rud (Olav Ingstads vei 5, 1351 Rud), Norway
Ståle Svenning.....	SmartMotor AS, Jarleveien 8, 7041 Trondheim, Norway
Turid M. Sørensen	c/o Scandic American Shipping Ltd (EB), Postboks 56, 3201 Sandefjord, Norway
Randi Eek Thorsen	Pb. 555 Sentrum, 0105 Oslo, Norway
Gine Wang	StatoilHydro ASA, Postboks 7200, 5020 Bergen, Norway
Hanne Rigmor Egenæss Wiig	St. Mariegt 52, 1705 Sarpsborg, Norway

b) Deputies elected by the shareholders

Name	Business address
Erik Buchmann	Gabelsgt 38, NO-0272 Oslo, Norway
Turid Dankertsen	P.O. Box 24 Haugerud, NO-0616 Oslo, Norway
Rolf Domstein	NO-6706 Måløy, Norway
Harriet Hagan	P.O. Box 190, NO-9502 Alta, Norway
Bente Hagem.....	P.O. Box 5192 Maj, NO-0302 Oslo, Norway
Rolf Hodne	P.O. Box 279, NO-4002 Stavanger, Norway
Liv Johannson	Måltrostveien 24 c, NO-0786 Oslo, Norway
Herman Mehren	Kristian Ivsgate 12, NO-0164 Oslo, Norway
Gry Nilsen.....	P.B. 213 Sentrum, 0103 Oslo, Norway
Asbjørn Olsen.....	Nedre Vollgate 9, NO-0158 Oslo, Norway
Oddbjørn Paulsen.....	Djupmyra 6, 8022 Bodø, Norway
Anne Bjørg Thoen.....	Landingsveien 34, NO-0767 Oslo, Norway
Elsbeth Sande Tronstad.....	P.O. Box 200, NO-0216 Oslo, Norway
Lars Wenaas	NO-6386 Måndalen, Norway

c) Members elected by the employees

Name	Business address
Terje Bakken	DNB, 0021 Oslo, Norway
Randi Bergsveen	DNB, 0021 Oslo, Norway
Rune André Bernbo	DNB, 0021 Oslo, Norway
Lillian Hattrem.....	DNB, 0021 Oslo, Norway
Irene Buskum Olsen.....	DNB, 0021 Oslo, Norway
Einar Pedersen.....	DNB, 0021 Oslo, Norway
Eli Solhaug	DNB, 0021 Oslo, Norway
Marianne Steinsbu	DNB, 0021 Oslo, Norway
Astrid Waaler.....	DNB, 0021 Oslo, Norway

Name	Business address
Arvid Asen.....	DNB, 0021 Oslo, Norway

The Issuer does not consider the principal activities outside the Issuer of any of the persons listed in the tables 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. 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 Anne Carine Tanum and the current vice-chairman is Jarle B ergo.

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

Name	Business address	Position
Bergo, Jarle.....	P.O. Box 117, Sentrum, NO-0107 Oslo, Norway	Vice-chairman
Finstad, Sverre.....	Tollbugata 12, NO-0021 Oslo, Norway	Member (employee representative)
Mathisen, Vigdis.....	NO-0021 Oslo, Norway	Member (employee representative)
Nyland, Kai.....	Aluvegen 65B, 2319 Hamar, Norway	Member
Rambjør, Torill.....	Helgerødveien 170, NO-3145 Tjøme, Norway	Member
Tanum, Anne Carine.....	NO-0021 Oslo, Norway	Chairman

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.

Control Committee

Responsibilities and organisation

The Issuer must have a control committee (the “**Control Committee**”) which is identical to the Control Committee of DNB 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 (*Finanstilsynet*) 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 and their business addresses are as follows:

Name	Business address	Position
Almestad, Vigdis Merete....	Karenslyst alle 6, 0213 Oslo	Deputy
Hassel, Frode	Beddingen 8, NO-7014 Trondheim	Chairman
Hovden, Karl Olav.....	Ormerudveien 45, 1410 Kolbotn	Member
Johnson, Ida Espolin.....	Hoffsjef Løvenskioldsvei 41, 0382 Oslo	Deputy
Øverland, Thorstein.....	Ove Kristiansens vei 1, NO-0751 Oslo	Member
Smith, Merete	Kristian Augustsgate 9, 0164 Oslo, Norway	Deputy

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.

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
Rathke, Tom	Folke Bernadottes vei 40, 5147 Fyllingsdalen	Group Executive Vice President	Head of Life Insurance and Pensions/Asset Management
Bentestuen, Trond	NO-0021 Oslo	Group Executive Vice President	Head of Marketing, Communications and E-business
Clouman, Cathrine	NO-0021 Oslo	Group Executive Vice President	Head of IT
Ertzeid, Ottar	NO-0021 Oslo	Group Executive Vice President	Head of Markets
Fiksdal, Liv	NO-0021 Oslo	Group Executive Vice President	Head of Operations
Hellebust, Solveig	NO-0021 Oslo	Group Executive Vice President	Head of Human Resources
Moen, Kari Olrud.....	NO-0021 Oslo	Group Executive Vice President	Head of Corporate Centre
Næss, Bjørn Erik.....	NO-0021 Oslo	Deputy Chief Executive Officer	Head of Finance and Group Staff
Orgland, Karin Bing.....	NO-0021 Oslo	Deputy Chief Executive Officer	Head of Retail Banking
Teksum, Leif.....	NO-0021 Oslo	Group Executive Vice President	Head of Large Corporates and International

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 the Group Management that are not on ordinary terms for employees of the Group.

The Issuer is not aware of any 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

Prospective purchasers of Notes are advised to consult their tax advisers as to the tax consequences under the tax laws of the country of which they are resident of a purchase of Notes, including, but not limited to, the consequences of receipts of interest and sale or redemption of Notes.

NORWEGIAN TAXATION

Payments of principal and interest on the Notes issued under the Programme to persons who have no connection with Norway other than the holding of such Notes issued by the Issuer are, under present Norwegian law, not subject to Norwegian tax, and may hence be made without any withholding tax or deduction for any Norwegian taxes, duties, assessments or governmental charges.

Capital gains or profits realised on the sale, disposal or redemption of such Notes by persons who have no connection with Norway other than the holding of the Notes are not, under present Norwegian law, subject to Norwegian taxes or duties.

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

The Notes will not be subject to any Norwegian estate duties provided that, at the time of death of the holder, such holder has no connection with Norway other than the holding of such Notes and provided that the Notes have not been used in, or in connection with, any business activity operated through a permanent establishment situated in Norway.

Persons considered domiciled in Norway for tax purposes will be subject to Norwegian income tax of a flat rate of 28 per cent. on interest received in respect of the Notes. Likewise, capital gains or profits realised by such persons on the sale, disposal or redemption of the Notes will be subject to Norwegian taxation.

LUXEMBOURG TAXATION

The following summary is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21st June, 2005 (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3rd June, 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent. Responsibility for the

withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 35 per cent.

(ii) *Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23rd December, 2005 (the “**Law**”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Payments of Interest on the Notes

Payments of interest on the Notes may be made without withholding on account of United Kingdom income tax.

However, Noteholders may wish to note that, in certain circumstances, HM Revenue & Customs (“**HMRC**”) has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder, or who either pays amounts payable on the redemption of Notes to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of such amounts payable on redemption of Notes where such amounts are paid on or before 5th April, 2013. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

GERMAN TAXATION

At present, there is no legal obligation for the Issuer to deduct or withhold any German withholding tax (*Kapitalertragsteuer*) from payments of interest, principal and gains from the disposition, redemption or settlement of the Notes or on any ongoing payments to the Noteholders.

However, a German branch of a German or non-German bank (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*), a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) holding the Notes in custody directly for the Noteholders (each a “**Disbursing Agent**”, *auszahlende Stelle*) may be obliged to withhold German withholding taxes on ongoing payments, on repayments of capital and on gains from the disposition, redemption or settlement of the Notes or an interest coupon. Where Notes are not held in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or an interest coupon are paid by a Disbursing Agent, withholding tax generally may

also apply. However, in general non residents of Germany are not subject to the withholding tax, subject to meeting certain further requirements.

Where a paying agent acts as Disbursing Agent it may be obliged to withhold German tax from payments as described above, if it acts as direct custodian of the respective Noteholder.

Further, income and capital gains derived from the Notes can be subject to German personal or corporate income tax (*Einkommensteuer, Körperschaftsteuer*) and, if the Notes form part of a German trade or business, also subject to German trade tax (*Gewerbesteuer*). Tax deduction of losses from the Notes may be restricted in particular cases.

All tax implications can be subject to alteration due to future law changes, possibly with retroactive or retrospective effect.

Prospective investors of the Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and each country of which they are resident.

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 or to certain limited types of entities established in that other Member State. However, for a transitional period, 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 adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

The Dealers have in an Amended and Restated Programme Agreement (the “**Programme Agreement**”) dated 9 October, 2012 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future updates of the Programme and the issue of Notes under the Programme.

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 (as defined in Regulation S under the Securities Act) except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

To the extent that any Notes are sold in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Notes of any Series (i) as part of its general distribution at any time or (ii) until 40 days after the later of the commencement of the offering and the completion of the distribution, as determined by the Issuing and Principal Paying Agent, of all Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons and only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to each dealer to which it sells the 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. Until the expiration of the applicable Distribution Compliance Period, an offer or sale of Registered Notes within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

Any resale or other transfer, or attempted resale or other transfer of Notes made other than in compliance with the restrictions set out above and below shall not be recognised by the Issuer or any of its agents. The certificates for the Notes sold in the United States shall bear a legend to this effect.

Bearer Notes

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and U.S. Treasury regulations promulgated thereunder.

Registered Notes

Offers, sales, resales and other transfers of Registered Notes in the United States made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be effected pursuant to an exemption from the registration requirements of the Securities Act.

Offers, sales, resales and other transfers of Registered Notes made in the United States may be made only to (a) “accredited investors” that are institutions (the number of which in connection with any Tranche shall not, without the permission of the Issuer, exceed 100) that such Dealer reasonably believes are “**accredited investors**” (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) (“**Institutional Accredited Investors**”) who have executed and provided to the relevant Dealer the IAI Investment Letter (as defined below) addressed to the Issuer, the Registrar and the relevant Dealer(s) substantially in the form attached to the Agency Agreement in a transaction exempt from the registration requirements of the Securities Act or (b) to institutional investors that are reasonably believed to qualify as

qualified institutional buyers (as defined in Rule 144A) (each such institutional investor being hereinafter referred to as a “**qualified institutional buyer**” or “**QIB**”) in a transaction otherwise meeting the requirements of Rule 144A.

Registered Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising (as such terms are used in Rule 502 under the Securities Act) will be used in connection with the offering of the Notes in the United States and no directed selling efforts (as defined in Regulation S) shall be used in connection with the offering of the Notes outside of the United States.

No sale of Registered Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) principal amount and no Registered Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

Each Note representing Notes initially offered and sold in the United States shall contain a legend in substantially the following form:

"THE SECURITY EVIDENCED HEREBY (THE "**SECURITY**") HAS NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE US STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "**INSTITUTIONAL ACCREDITED INVESTOR**"); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 UNDER THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND."

Each Reg S. Note shall contain a legend substantially in the following form:

"THE SECURITY EVIDENCED HEREBY (THE "**SECURITY**") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE US STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN

EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO US PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT."

The legend endorsed on each Note shall be removed, in the case of the Reg. S Global Note, after expiry of the Distribution Compliance Period applicable thereto and, in the case of the Restricted Global Note, after expiry of the applicable required holding period determined pursuant to Rule 144 under the Securities Act from the later of the date of original issue and the date on which the Issuer or any affiliate of the Issuer was the owner of such Note (or any predecessor thereto).

By its purchase of any Notes, each investor in the United States shall be deemed to have agreed to the restrictions contained in any legend endorsed on the Note purchased by it (to the extent still applicable) and each such purchaser shall be deemed to have represented to the Issuer, the seller and the Dealer, if applicable, that it is either (i) a QIB or (ii) an Institutional Accredited Investor that is acquiring the Notes for its own account for investment and not with a view to the distribution thereof. Each investor (other than an investor in Reg. S Notes following expiry of the applicable Distribution Compliance Period), by its purchase of any Notes, also agrees to deliver to the transferee of any Note a notice substantially to the effect of the above legend.

Each prospective investor in the United States is hereby offered the opportunity to ask questions of, and receive answers from, the Issuer and the Dealers concerning the terms and conditions of the offering.

Pursuant to the Dealer Agreement, the Issuer has agreed to indemnify the Dealers against, or to contribute to losses arising out of, certain liabilities, including liabilities under certain securities laws, in respect of Notes.

In connection with its purchase of Registered Notes, each Institutional Accredited Investor shall deliver to the Issuer and the relevant Dealer(s) a letter (the "**IAI Investment Letter**") stating, among other things, that:

- (a) it has received a copy of this Prospectus and such other information as it deems necessary in order to make its investment decision;
- (b) it understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in this Prospectus and the Notes and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;
- (c) it understands that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered or sold except as permitted in the following sentence. It will agree, on its own behalf and on behalf of any account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will agree, not to offer, sell or otherwise transfer such Notes except (A)(i) to the Issuer or a Dealer (as defined in this Prospectus), (ii) to a person whom the seller reasonably believes is a QIB that purchases for its own account or for the account of a QIB or QIBs, in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act or (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available) (resales described in subclauses (i) through (iv) of this clause (A), "**Safe Harbor Resales**"), or (B) pursuant to any other available exemption from the registration requirements under the Securities Act (provided that as a condition to the registration of transfer of any Notes otherwise than in a Safe Harbour Resale the Issuer and the Registrar will require delivery of (x) a letter from the transferee in the form attached to the Agency Agreement available from the Issuing and Principal Paying Agent or (y) such

other documents or other evidence (including but not limited to an opinion of counsel) that the Issuer, in its sole discretion, may deem necessary or appropriate to evidence compliance with such exemption), or (C) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States;

- (d) it understands that, on any proposed resale of any Notes, it will be required to furnish to the Issuer such certifications, legal opinions, and other information as the Issuer may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. It further understands that the Notes purchased by it will bear a legend to the foregoing effect;
- (e) in the normal course of business, it invests in or purchases securities similar to the Notes. It is an Institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment;
- (f) it is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and
- (g) it acknowledges that the Issuer and the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and it agrees that, if any such acknowledgments, representations or warranties made pursuant hereto are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

Each prospective purchaser of Notes offered in the United States or who is a U.S. person, by accepting delivery of this Prospectus, will be deemed to have represented and agreed as follows:

- (a) such offeree acknowledges that this Prospectus is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or Section 4(2) of the Securities Act or in offshore transactions in accordance with Regulation S. Distribution of this Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such offeree agrees to make no photocopies of this Prospectus or any documents referred to herein.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 any 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 any Notes in, from or otherwise involving the United Kingdom.

Norway

Notes denominated in Norwegian kroner may not be offered or sold within Norway or outside Norway to Norwegian citizens abroad, without the Notes prior thereto having been registered in the Norwegian Central Securities Depository.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers 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, the Trustee nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Trustee and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment and the subsequent updates of the Programme and the issue of Notes have been duly authorised by a resolution of the joint meeting of the Board of Directors and the Committee of Representatives of the Issuer dated 31st October, 1996, and resolutions of the Board of Directors of the Issuer dated 15th January, 1998, 13th January, 1999, 28th April, 2000, 29th April, 2000, 18th January, 2001, 17th January, 2002, 15th January, 2003, 9th March, 2004, 20th January, 2005, 10th January, 2006, 9th August, 2006, 30th January, 2007, 16th January, 2008, 9th December, 2008, 8th December, 2009, 9th December, 2010 and 7th December, 2011.

Approval, Listing and Admission to Trading

Application has been made to the CSSF for the approval of this document as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme (other than VPS Notes and Swiss Domestic Notes) during the period of 12 months from the date of this Prospectus 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 Markets in Financial Instruments Directive.

Application has been made to the SIX Swiss Exchange for the approval of this Prospectus. An application may be made to the SIX Swiss Exchange for Notes issued under the Programme to be listed on the SIX Swiss Exchange.

Documents Available

For the period of 12 months from the date of this Prospectus, copies of the following documents will be available for inspection at the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the Programme Agreement, the Trust Deed, the Agency Agreement, the Issuer-ICSDs Agreement, the forms of the Temporary Bearer Global Note, the Permanent Bearer Global Note, the Reg. S Global Note, the Restricted Global Note, the Swiss Global Note, the definitive Bearer and Registered Notes, the Coupons and the Talons;
- (iii) the audited consolidated and non-consolidated annual financial statements of the Issuer for each of the financial years ended 31st December, 2010 and 31st December, 2011 together with the auditors' reports prepared in connection therewith;
- (iv) the unaudited consolidated and non-consolidated interim financial statements of the Issuer as at, and for the period ended, 30th June, 2012;
- (v) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith; and
- (vi) this Prospectus, any supplement to this Prospectus, each document incorporated by reference in this Prospectus from time to time and each Final Terms (save that Final Terms relating to Exempt Notes will only be available for inspection by a holder of such Notes and such holder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of Notes and identity).

In addition, a copy of this Prospectus, any supplement to this Prospectus, each document incorporated by reference in this Prospectus from time to time and each Final Terms relating to Notes which

are admitted to trading on the Luxembourg Stock Exchange's regulated market will also be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Clearing Systems

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and SIS. The appropriate Common Code, ISIN and Swiss Security Number (as appropriate) for each Tranche of Bearer Notes allocated by Euroclear, Clearstream, Luxembourg and SIS will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP number for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system (including the VPS), the appropriate information will be specified in the applicable Final Terms. Euroclear, Clearstream, Luxembourg, DTC, SIS and the VPS are the entities in charge of keeping the records.

The address of Euroclear is 3 Boulevard du Roi Albert III, B.1210 Brussels, Belgium; the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg; the address of DTC is 55 Water Street, New York, NY 10041-0099, USA; the address of SIS is SIX SIS Ltd, Baslerstrasse 100, CH-4600 Olten, Switzerland; and the address of the VPS is Biskop Gunnerusgate, 14A, 0185 Oslo.

Conditions for Determining Price

The issue price and amount of the Notes of any Tranche to be issued will be determined at the time of the offering of such Tranche in accordance with prevailing market conditions.

Material Change

Since 31st December, 2011 there has been no material adverse change in the prospects of the Issuer and, since 30th June, 2012, there has been no significant change in the financial position of the Issuer or the Group.

Litigation

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.

Independent Auditors

Ernst & Young AS ("**Ernst & Young**") of Dronning Eufemias gate 6, P.O. Box 20, NO-0051 Oslo, Norway, audited the financial statements of the Issuer in respect of the financial years ended 31st December, 2010 and 31st December, 2011 without qualification. Ernst & Young is a member of the Norwegian Institute of Public Accountants.

Certificates

The Trust Deed provides that the Trustee may rely on any certificate or report from an expert or any other person in accordance with the provisions of the Trust Deed whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee in connection therewith contains any limit on the liability of such expert or such other person.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Post-issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes constituting derivative securities (as such term is defined in the Prospectus Regulation).

Dealers Transacting with the Issuer

In the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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