



RESOLUTION PLAN 2016

PUBLIC SECTION

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INTRODUCTION

Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) requires systemically important financial institutions that conduct business in the United States to file resolution plans with U.S. regulators.¹ Section 165(d) has been implemented through regulations of the Board of Governors of the Federal Reserve System (the “FRB”) and the Federal Deposit Insurance Corporation (the “FDIC”) that require a foreign-based covered company to provide detailed information about its entities and activities in the United States, including the process by which those entities and activities would be resolved in the event of the covered company’s material distress or failure (the “Resolution Plan Rule”).²

The Resolution Plan Rule provides that in a multi-tiered holding company structure the top-tiered company is the “covered company” and must file a resolution plan.³ DNB ASA owns 100 percent of DNB Bank ASA (“DNB Bank”), which conducts lending and other activities in Norway and elsewhere through branches in various jurisdictions, including the United States. Accordingly, this resolution plan is filed by DNB ASA, the top-tiered financial holding company.

The Resolution Plan Rule requires that certain information be included in a Public Section of the resolution plan. DNB ASA submits this Public Section in compliance with the Resolution Plan Rule and related guidance.

Overview

DNB ASA is Norway’s largest financial institution and offers a full range of financial services, including loans, savings, advisory services, insurance and pension products to customers in Norway. DNB ASA, through its subsidiary DNB Bank, is one of the world’s leading shipping banks and also has extensive international energy finance operations. The share of total income generated by DNB Bank’s international units is more than 20 percent. DNB Group has operations in twenty countries, including Norway. In addition to a number of international branches and representative offices, DNB Bank has local operations in the Baltics, Poland, and Sweden.

The Norwegian government owns 34% percent of DNB ASA through the Ministry of Trade and Industry. Please refer to Exhibit A for the legal structure of the DNB Group. Additional information regarding DNB ASA may be found in its most recent annual report at www.dnb.no/en/investor-relations.

¹ “Systemically important financial institution” includes foreign banking organizations, as defined in Regulation K of the Board of Governors of the Federal Reserve System, which are treated as bank holding companies for purposes of the Bank Holding Company Act of 1956, as amended, and have \$50 billion or more in total worldwide assets.

² See generally 12 C.F.R. pt. 243.

³ 12 C.F.R. 243.2(f)(3).

Personal Banking Norway

Personal Banking Norway is responsible for serving the Group's 2.1 million personal customers through the branch network and customer services centers in Norway. Personal Banking Norway provides daily banking services and home mortgages to individuals in Norway.

Corporate Banking Norway

Corporate Banking Norway is responsible for serving the Group's about 140,000 small and medium-sized corporate customers through the branch network and customer service centers in Norway. Corporate Banking Norway provides banking and payment services and lending facilities to these businesses in Norway.

Large Corporates and International

Large Corporates and International ("LCI") serves large Norwegian corporate customers and is responsible for DNB's international banking operations. LCI provides a full range of financial services, including loans, deposits, cash management and advisory services.

DNB Markets

DNB Markets is Norway's largest provider of securities and investment services. DNB Markets offers services within corporate finance, debt capital markets, fixed income, currencies, commodities and equities, as well as research and securities services.

Products

Products is comprised of DNB Finans, DNB Livsforsikring ASA and DNB Skadeforsikring AS. Products develops, offers and manages products within life and pension insurance, non-life insurance, as well as asset and consumer finance (including credit cards). The business area distributes products through DNB Bank's distribution channels, and also has its own distribution network, such as car dealerships where DNB Bank is not the natural sales channel.

DNB Livsforsikring provides defined contribution pension plans and risk insurance products, other than defined benefit and public market pension plans.

DNB Finans provides credit cards, consumer finance, car financing, leasing and factoring to both personal and corporate customers.

Overview of U.S. Operations

DNB Bank maintains a New York state-licensed branch in New York, NY ("NY Branch") and a representative office in Houston, Texas. The NY Branch was established in 1988 (then known as Bergen Bank, New York Branch). The NY Branch's activities are mainly trading on behalf of clients, hedging and cash management for DNB Bank and funding for DNB Bank.

DNB Markets, Inc. (“MINC”) is a wholly-owned subsidiary of DNB Bank, incorporated under the laws of the State of New York. MINC engages in trading, underwriting and institutional brokerage activities and conducts business from its main office in New York City and from its branch offices in Houston, Texas, and London, England. MINC is a broker-dealer registered with the Securities and Exchange Commission (the “SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). MINC began operations on December 9, 2003.

DNB Capital LLC (“DNBC”), established in New York in 2013 as a limited liability company with DNB as its sole member, is DNB’s main lending vehicle for the United States.⁴

DNB Bank has approximately 135 employees in the United States.

1. Names of Material Entities

A “material entity” is defined in the Resolution Plan Rule as “a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line.” For purposes of this resolution plan only U.S. nonbank material entities must be identified.

The Resolution Plan Rule defines “critical operations” as “those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which, in the view of the covered company or as jointly directed by the Board and the Corporation, would pose a threat to the financial stability of the United States.” For purposes of this resolution plan no critical operations were identified by DNB ASA nor jointly identified by the FRB and the FDIC for DNB ASA and communicated to DNB ASA.

“Core business lines” are defined in the Resolution Plan Rule as “those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value.” A description of the U.S. core business lines is provided below.

Based on the U.S. core business lines identified below, DNB ASA has identified DNBC and the NY Branch as material entities for purposes of this resolution plan.

2. Description of Core Business Lines

DNB ASA has identified lending to corporate customers as a core business line. DNB ASA has also identified the funding operations of the NY Branch as a core business line.

⁴ DNB Bank also has a U.S. wholly-owned subsidiary, DNB Finance LLC, which is dormant.

3. Summary Financial Information Regarding Assets, Liabilities, Capital, and Major Funding Sources.

The assets, liabilities, capital, and major funding sources of DNB ASA and DNB Bank are set forth in detail in DNB ASA's 2015 annual report ("2015 Annual Report"), which is available at <https://www.dnb.no/portalfont/nedlast/no/om-oss/resultater/2015/annual-report-dnb-group-2015.pdf>.

3.1 Balance Sheet. The following table sets forth the consolidated balance sheet of DNB ASA as of December 31, 2015, as stated in the 2015 Annual Report:

Amounts in NOK million	DNB Group	
	Dec. 31, 2015	Dec. 31, 2014
Assets		
Cash and deposits with central banks	19 317	58 505
Due from credit institutions	301 216	373 409
Loans to customers	1 542 744	1 438 839
Commercial paper and bonds at fair value	289 695	268 302
Shareholdings	19 341	26 870
Financial assets, customers bearing the risk	49 679	42 866
Financial derivatives	203 029	235 736
Commercial paper and bonds, held to maturity	105 224	118 667
Investment property	16 734	30 404
Investments accounted for by the equity method	9 525	5 866
Intangible assets	6 076	6 286
Deferred tax assets	1 151	1 213
Fixed assets	8 860	13 830
Assets held for sale	200	692
Other assets	25 739	27 855
Total assets	2 598 530	2 649 341
Liabilities and equity		
Due to credit institutions	161 537	214 214
Deposits from customers	944 428	941 534
Financial derivatives	154 663	184 971
Debt securities issued	804 928	812 025
Insurance liabilities, customers bearing the risk	49 679	42 866
Liabilities to life insurance policyholders in DNB Livsforsikring	208 949	216 799
Insurance liabilities, Forsikring	2 085	1 964
Payable taxes	2 093	1 723
Deferred taxes	7 556	6 018
Other liabilities	37 675	31 908
Liabilities held for sale	71	100
Provisions	1 285	1 172
Pension commitments	2 549	6 006
Subordinated loan capital	30 953	29 319
Total liabilities	2 408 451	2 490 619
Share capital	16 257	16 273
Share premium	22 609	22 609
Additional Tier 1 capital	8 353	
Other equity	142 860	119 841
Total equity	190 078	158 723
Total liabilities and equity	2 598 530	2 649 341

Due to changes in principles, some comparative figures have been restated.

3.2 Capital

DNB ASA monitors and maintains capital on a group-wide basis. DNB ASA's group-wide Assets and Liability Committee is responsible for ensuring that DNB maintains a sufficient amount of capital to support the group's operations. DNB ASA strictly complies with Norwegian law adapting Norwegian capital requirements to Basel III standards. The following sets forth DNB ASA's primary capital, as stated in the 2015 Annual Report:

Primary capital	DNB Bank ASA		DNB Bank Group		DNB Group	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
<i>Amounts in NOK million</i>						
Total equity	151 533	127 720	173 412	141 309	190 078	158 723
Effect from regulatory consolidation			(541)	(56)	(541)	150
Non-eligible capital, insurance					(403)	(1 253)
Additional Tier 1 capital instruments included in total equity	(8 053)		(8 053)		(8 053)	
Net accrued interest on additional Tier 1 capital instruments	(219)		(219)		(219)	
Common equity Tier 1 capital instruments	143 261	127 720	164 599	141 253	180 863	157 619
Deductions						
Pension funds above pension commitments	(38)	(7)	(38)	(7)	(38)	(7)
Goodwill	(3 012)	(2 963)	(3 029)	(2 979)	(4 763)	(4 714)
Deferred tax assets that are not due to temporary differences	(195)		(640)	(514)	(640)	(514)
Other intangible assets	(663)	(831)	(1 075)	(1 224)	(1 241)	(1 460)
Dividends payable etc.			(5 000)	(4 000)	(7 330)	(6 189)
Expected losses exceeding actual losses, IRB portfolios	(1 383)	(1 466)	(2 309)	(2 075)	(2 309)	(2 075)
Value adjustments due to the requirements for prudent valuation (AVA)	(671)	(509)	(1 055)	(917)	(1 055)	(917)
Adjustments for unrealised losses/(gains) on debt recorded at fair value	(15)	278	(412)	646	(412)	646
Adjustments for unrealised losses/(gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	(785)	(821)	(150)	(268)	(150)	(266)
Minimum requirement reinsurance allocation					(17)	(16)
Common Equity Tier 1 capital	136 499	121 402	150 889	129 915	162 906	142 108
Additional Tier 1 capital instruments	10 267	4 028	10 267	4 028	10 267	4 028
Tier 1 capital	146 766	125 430	161 156	133 944	173 173	146 136
Perpetual subordinated loan capital	5 702	4 792	5 702	4 792	5 702	4 792
Term subordinated loan capital	22 185	19 322	22 185	19 322	22 185	19 322
Tier 2 capital	27 887	24 115	27 887	24 115	27 887	24 115
Total eligible capital	174 653	149 545	189 043	158 058	201 060	170 251
Risk-weighted volume, transitional rules	906 084	919 238	1 056 731	1 038 396	1 129 373	1 120
Minimum capital requirement, transitional rules	72 487	73 539	84 539	83 072	90 350	89 653
Common Equity Tier 1 capital ratio, transitional rules (%)	15.1	13.2	14.3	12.5	14.4	12.7
Tier 1 capital ratio, transitional rules (%)	16.2	13.6	15.3	12.9	15.3	13.0
Capital ratio, transitional rules (%)	19.3	16.3	17.9	15.2	17.8	15.2

For additional information on DNB Group's capital, please refer to the Corporate Information Website referenced above.

3.3 Major Funding Source

Funding and liquidity for the U.S. operations are managed in accordance with DNB Bank's group-wide policies and procedures. These standards have been incorporated into the U.S. operations' local policies and procedures. The U.S. policies and procedures require the U.S. operations to provide information to DNB Bank for purposes of reports including those for cash flow, loan growth and liquidity risk analysis.

DNB's U.S. operations are able to draw on a variety of funding sources. In normal market conditions, DNB may rely on the issuance of Yankee CDs and on taking deposits from corporate customers. In addition the Branch borrows from DNB and third party banks.

MINC and DNBC are funded by borrowings from DNB.

4. Description of Derivatives and Hedging Activities

DNB Bank enters into derivative transactions on the basis of customer demand and to hedge positions resulting from such activity. In addition, derivatives are used to hedge positions in the trading portfolio and take positions in the interest rate, currency, commodity and equity markets. Derivatives used by DNB Bank for both trading and hedging purposes include forward contracts, forward rate agreements, interest rate futures, swaps and options.

Derivatives are traded in the NY Branch. The market risk of the derivatives is handled, reviewed and controlled as an integral part of market risk in all portfolios. Derivatives are entered into with customers for their hedging purpose and with a number of different bank counterparties. The credit risk that arises in connection with derivative trading is included in the DNB Group's overall credit risk. For most bank counterparties, netting agreements requiring posting of collateral have been entered into, thus reducing credit risk.

The markets group in the NY Branch follows the strategy as outlined in DNB's Markets Strategy plan. The risk profile for the NY Branch is moderate to small and reflects the activity needed to support customers in the FX, interest rate and commodity markets, as well as the NY Branch's role in global funding.

5. Memberships in Material Payment, Clearing, and Settlement Systems

DNB uses a wide array of Financial Market Utilities ("FMUs"), including payment systems, clearinghouses, securities depositories, and central counterparties. The next table list FMUs used by DNB, DNBC, and MINC:

FMU	Functionality
ACH	Payments
CHIPS	Payments
CLS	Settlement and Clearing

FMU	Functionality
Depository Trust and Clearing Corporation	Settlement and Clearing
FedWire Funds Service	Settlement and Clearing
Fixed Income Clearing Corporation / FICC Portfolio Clearing	Settlement and Clearing
LCH.Clearnet	Settlement and Clearing
National Securities Clearing Corporation	Settlement and Clearing
New York Portfolio Clearing	Settlement and Clearing
Options Clearing Corporation	Settlement and Clearing
SWIFT Alliance	Payments

6. Description of Foreign Operations

DNB ASA is Norway's largest financial services group and one of the largest in the Nordic region. The Group offers a full range of financial services, including loans, savings, advisory services, insurance and pension products for personal and corporate customers. DNB is among the world's leading banks within its international priority areas, especially the energy, shipping and seafood sectors. As of December 2016, the Bank has 60 branch offices in Norway and is represented in 20 countries worldwide, including the U.S., Brazil, Chile, China, India, Singapore, Denmark, England, Estonia, Finland, Germany, Greece, Latvia, Lithuania, Luxembourg, Norway, Poland, Scotland, and Sweden.

7. Identities of Material Supervisory Authorities

DNB ASA is regulated by both Finanstilsynet and Norges Bank. Finanstilsynet is an independent government agency and the primary regulatory body regarding institution specific issues, while Norges Bank, Norway's central bank, has responsibilities regarding macro-prudential issues, including giving advice to the Ministry of Finance regarding the setting of the counter-cyclical buffer.

Through its supervision of enterprises and markets, Finanstilsynet strives to promote financial stability and orderly market conditions and to instill confidence that financial contracts will be honored and services performed as intended. In addition to its preventative work, Finanstilsynet maintains preparedness for dealing with concrete problems that may arise. Finanstilsynet is responsible for the supervision of banks, finance companies, mortgage companies, insurance companies, pension funds, investment firms, securities fund management and market conduct in the securities market, stock exchanges and authorized market places, settlement centers and securities registers, estate agencies, debt collection agencies, external accountants and auditors.

Norges Bank is mandated to promote economic stability in Norway and the objectives of its core activities are price stability, financial stability and added value in investment management. Among other things, Norges Bank has executive and advisory responsibilities in the area of monetary policy and is responsible for promoting robust and efficient payment systems and financial markets.

As DNB ASA is treated as a bank holding company, the FRB has general regulatory oversight over DNB ASA, DNB, and the U.S. operations, including DNBC, the sole U.S. nonbank material entity of DNB. The NY Branch is supervised and regulated by the New York State Department of Financial Services and the FRB. MINC is regulated and supervised by the SEC and FINRA.

8. Identities of Principal Officers

The table below identifies the members of the DNB ASA Board of Directors, as of March 17, 2016:

DNB ASA Board of Directors	
Name	Title
Anne Carine Tanum	Chairman of the Board
Tore Olaf Rimmereid	Vice-Chairman
Jarle Bergo	Board Member
Jaan Ivar Gjaerum Semlitsch	Board Member
Carl A. Lovvik	Board Member
Berit Svendsen	Board Member
Vigdis Mathisen	Board Member

The table below identifies the members of the DNB Senior Management, as of March 17, 2016:

DNB ASA Senior Management	
Name	Title
Rune Bjerke	Group Chief Executive
Bjorn Erik Naess	Chief Financial Officer
Harald Serck-Hanssen	Group Executive Vice-President for Large Corporates and International
Kjerstin Braathen	Group Executive Vice-President for Corporate Banking Norway
Trond Bentestuen	Group Executive Vice-President for Personal Banking Norway
Ottar Ertzeid	Group Executive Vice-President for DNB Markets
Tom Rathke	Group Executive Vice-President for Wealth Management
Kari Olrud Moen	Group Executive Vice-President for Products
Liv Fiksdahl	Group Executive Vice-President for IT and Operations
Solveig Hellebust	Group Executive Vice-President for HR
Terje Turnes	Group Executive Vice-President for Risk Management and Chief Risk Officer
Thomas Midteide	Group Executive Vice-President for Corporate Communications

9. Corporate Governance Structure and Processes Related to Resolution Planning

The U.S. resolution planning process is integrated in the DNB Group recovery planning governance process. Since DNB ASA is required by Finanstilsynet, the Norwegian Financial Supervisory Authority, to prepare a recovery plan that also includes its foreign operations, the recovery plan includes the possible sale of U.S. assets and/or an entity sale of DNBC, although these options would not necessarily be activated. However, it is possible that in the event of market stress DNB ASA will have taken certain steps towards recovery that would affect the

implementation of this resolution plan. The Board of Directors of DNB ASA approved a revised and updated recovery plan on August 24, 2016.

Pursuant to the European Recovery and Resolution Directive, among others, a special resolution authority is responsible for resolution planning, including development of bank and group-specific resolution plans. The details of the resolution phase, including establishment of a resolution authority, are still uncertain. However, in October 2016, the Norwegian Banking Law Commission published a proposal to appoint the Ministry of Finance as the resolution authority in connection with the implementation of the European Recovery and Resolution Directive into the laws of Norway. The Commission's proposal is subject to a public hearing period, ending January 9, 2017, and approval by the Norwegian legislator.

The NY Branch has established a U.S. Resolution Plan Committee, which is responsible for the development, maintenance, and periodic updating of the resolution plan for the U.S. operations. The U.S. Resolution Plan Committee consists of the General Manager, the Head of Markets, the Head of the Compliance Department, and the General Counsel of the NY Branch. The U.S. Resolution Plan Committee reports directly to Senior Management and the Head of Group Risk Management at DNB Head Office.

The Head of Group Risk Management is responsible for reviewing the resolution plan and ensuring that the resolution plan for the U.S. operations is integrated into the corporate governance structure of DNB and does not contain elements which would be contradictory to DNB's corporate governance structure or DNB ASA's recovery plan. The Head of Group Risk Management is responsible for ensuring that adequate policies and procedures are in place and that the resolution plan for the U.S. operations is reviewed by individuals responsible for risk management, compliance, IT, and legal. The authority to approve the resolution plan for the U.S. operations was delegated from DNB ASA's Board of Directors to the Chief Risk Officer.

10. Material Management Information Systems

The current IT strategy is to create a robust common platform for IT development and operations going forward. This also encompasses the principle of "One IT," implying that the Bank's IT development should be governed through one centralized IT function. With a few exceptions, all employees performing IT related operations, maintenance and development are governed by or organized within the Group IT area, although some have dotted reporting lines locally.

The Group's centralized IT systems may be described in six broad categories: core systems, markets systems, payment systems, customer systems, office support systems, and anti-money laundering (AML) systems. In general, all IT systems are centralized within the Group IT area, although the U.S. operations have certain stand-alone systems.

The MIS capabilities are used at both DNB Head Office and at the U.S. operations across functions and allow for reporting for purposes of credit risk management, market risk management, lending, trading, compliance and payments.

11. High Level Description of Resolution Strategy

The strategic analysis has been developed under the assumption that DNB ASA and DNB are in material financial distress and failure and would not have access to home country or any other governmental support. The strategic analysis also addresses how the U.S. operations may undergo an orderly resolution without recourse to any assistance from U.S. taxpayers.

The resolution plan provides a detailed analysis of how DNB ASA's U.S. operations could be resolved in a rapid and orderly manner. Subject to home country law and any resolution of DNB ASA, the strategy to resolve DNB ASA's U.S. operations is organized around the resolution of its U.S. nonbank material entity, DNBC. The resolution plan also addresses the resolution of the NY Branch and MINC. In general, DNBC's assets would be sold and it would be liquidated in accordance with New York law, or DNBC may be sold as an entity, subject to home country law. Alternatively, DNBC may potentially file for relief under Chapter 11 of the Bankruptcy Code in order to pursue the orderly liquidation of its assets. MINC would be liquidated under New York and applicable federal law. The NY Branch would undergo a voluntary liquidation, or the Superintendent of Financial Services would take possession of the NY Branch, both in accordance with the New York Banking Law.

EXHIBIT A
LEGAL STRUCTURE OF DNB GROUP
PUBLIC SECTION

Exhibit A

