DNB Boligkreditt

11 March 2021

Summary

DNB Boligkreditt's green covered bond framework

The proceeds will be used to finance the most energy efficient residential buildings in Norway

Structured in line with the Green Bond Principles

Second party opinion from Sustainalytics

Certification from Climate Bonds Initiative

Identification of the most energy efficient buildings

- Eligibility criterion for DNB's green covered bonds:

  Residential buildings completed in 2012 or later[1)]

  (derived from the implementation of the TEK10 and TEK17 building codes)

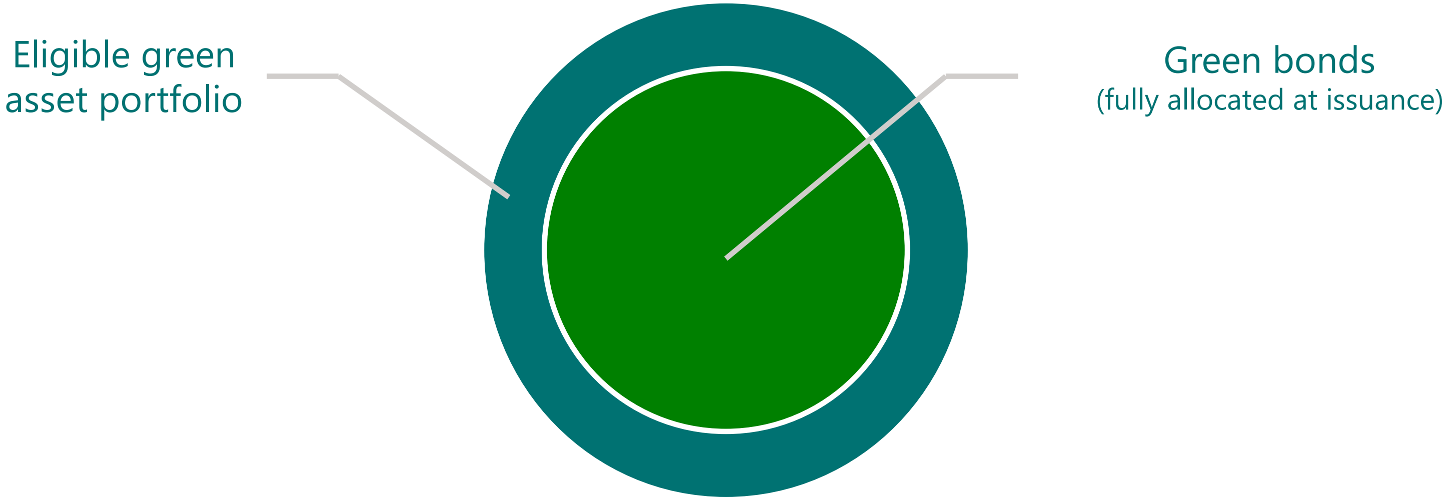
- Methodology developed by Multiconsult as EPC labels are not fully available.
- Within the country specific criteria from Climate Bonds Initiative and within the top 15% "best in class"-approach.
- Considered by Sustainalytics to be a robust method to identify the most energy efficient residential buildings.

~NOK 91 bn eligible green assets

(within 15% of the most energy efficient residential buildings in Norway)

1) *In accordance with the EU Taxonomy document, buildings built from 1 January 2021 should meet the "NZEB – 20%" criterion, meaning that the net primary energy demand of the new buildings must be at least 20% lower than the primary energy demand resulting from the relevant NZEB requirements. DNB monitor will monitor closely regulatory developments regarding this topic and intends to apply the EU Taxonomy Technical Screening Criteria for Green Buildings when there is an exact definition of NZEB in Norway.*

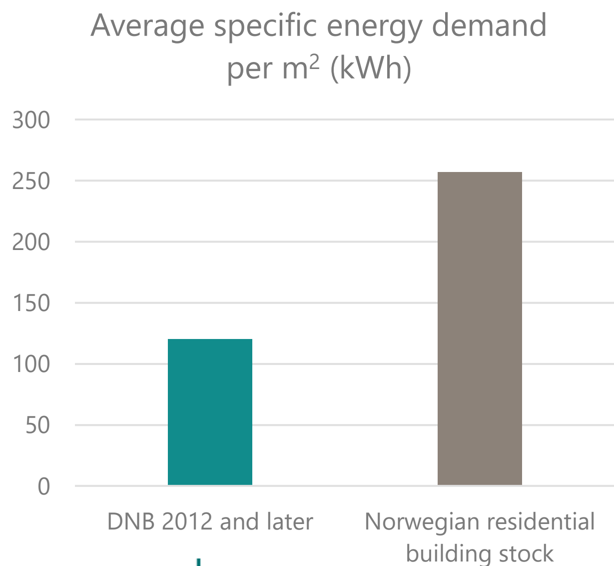
Management of proceeds



- An aggregated portfolio approach has been used to manage the green assets
- Eligible green assets at all times exceed all outstanding green liabilities
- The Green Bond Committee will ensure ongoing compliance with the eligibility criteria

Lower CO_2 emissions in DNB's eligible green portfolio

The Eligible Portfolio has an estimated average energy consumption of less than 50 per cent of the average Norwegian consumption



Energy consumption ~469 GWh lower per year on DNB's eligible green portfolio[1]

CO_2 emissions ~58,651 tons lower per year[1]

Equivalent to[2)]:
- 76,595 acres of forest
- 24,982,355 liters of gasoline consumed

[1] *Source: Multiconsult – estimated as of October 2020. Compared with the average Norwegian consumption*

[2] *www.epa.gov/energy/greenhouse-gas-equivalencies-calculator*

Reporting

- The allocation and impact reporting will be provided on indicators such as:

Allocation Reporting

- Size of green portfolio
- Amount of proceeds allocated
- Percentage of new financing and refinancing

All reporting will be aggregated and based on the green asset portfolio

Impact Reporting

- Estimated lower energy consumption
- Estimated lower CO_2 emissions

- All relevant reporting will be made available on DNB's website

SUSTAINALYTICS

Second Party Opinion

- *"Sustainalytics is of the opinion that financing green buildings is* ***impactful and contributes to reducing buildings' energy consumption in Norway****"*
- *"Sustainalytics considers that the projects funded by the green bond proceeds have the potential to* ***contribute to Norway's transition to a low-carbon economy"***
- ***"****Sustainalytics is confident that DNB Boligkreditt is well-positioned to issue green bonds and that the* ***Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018****"*

1: Use of proceeds

2: Process for Project Selection and Evaluation

3: Management of Proceeds

4: Reporting

Alignment with The Green Bond Principles

SECOND-PARTY OPINION

SECOND-PARTY OPINION

SECOND-PARTY OPINION

SECOND-PARTY OPINION

DNB Boligkreditt – Green Covered Bonds

Volume	Tenor	Maturity	
EUR 1,500 mn	7 years	2025	Fixed
SEK 10,000 mn	5 years	2024	Fixed
EUR 1,500 mn	10 years	2031	Fixed

Climate Bond Certified

Climate Bond Certified

Climate Bond Certified

Further information and contact details

For further information see:

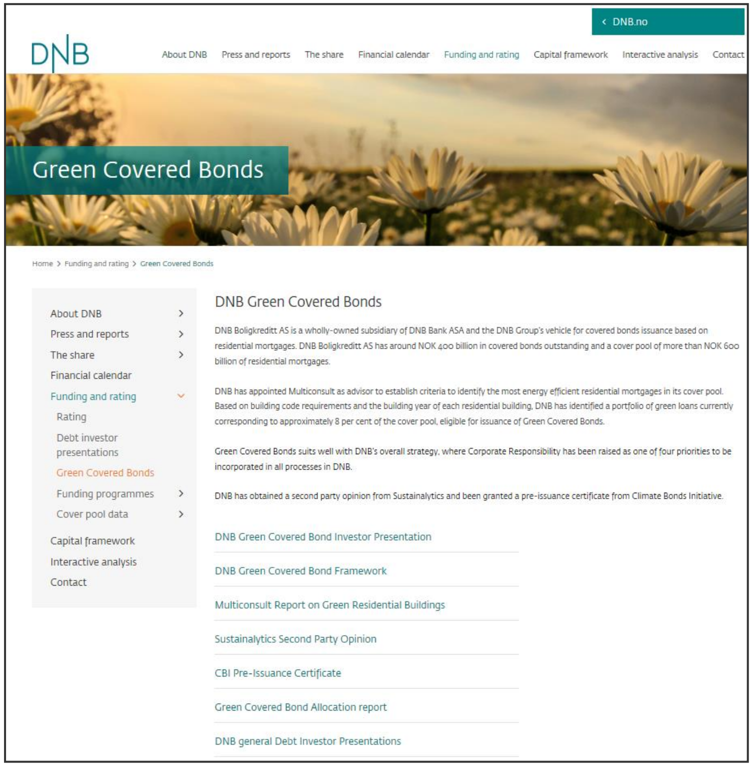
https://www.ir.dnb.no/funding-and-rating/green-covered-bonds

For credit related information see:

Debt Investor Presentations

For other information see:

https://www.ir.dnb.no/funding-and-rating



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Appendix

DNB Boligkreditt Green Covered Bond Framework

Compliant with ICMA's Green Bond Principles

The Green Bond Principles

Use of Proceeds

- New and existing mortgages for energy efficient residential buildings

Process for Project Evaluation and Selection

- Building years are used as a proxy to select eligible green assets (≥2012)
- Eligible buildings are amongst the top 15% of the most energy efficient residential buildings in Norway

Management of Proceeds

- The proceeds will be managed in a portfolio approach
- Outstanding green bond < eligible green assets
- DNB's Green Bond Committee will ensure ongoing compliance

Reporting

- Reporting will be reflected on a portfolio basis
- Allocation and impact reporting
- A preliminary CO_2 impact report shows around 50% energy saving vs. the average Norwegian home

Green Bond Allocation Report

DNB Boligkreditt AS - Green Covered Bond Allocation Report 4Q20

As of 31 December 2020, DNB Boligkreditt AS had an Eligible Green Loan Portfolio of MNOK 90,823 and a total amount outstanding Green Covered Bonds of MNOK 25,675 (MEUR 1,500+ MSEK 10,000).

All of the Green Covered Bonds proceeds have been allocated to green assets. Usage of green assets is 28.3%.

Since the establishment of the Green Covered Bond Framework, the Eligible Green Loan Portfolio has grown by approximately NOK 35 billion.

DNB Green Covered Bond Allocation Report – 4Q20	
Eligible Green Loan Portfolio - Houses completed after 1 January 2012 (TEK10 or later)	**MNOK 90,823**
Outstanding Green Covered Bonds (XS1839888754) (XS1945126867)	**MNOK 25,675** **(MEUR 1,500)** **(MSEK 10,000)**
Percentage of proceeds allocated to green assets	**100%**
Percentage of new financing / refinancing	**0% / 100%**
Usage of green assets	**28.3%**

Green Bond Impact Report August 2020

Portfolio date: August 2020

Eligible Project Category	Eligible portfolio (NOK mn)	Share of Total Financing	Eligibility for Green Bonds	Estimated Site Energy Savings (in MWh/year)	Estimated Emissions Avoidance (in tons of CO2 /year)
a/	b/	c/	d/	e/	e/
Residential Green Buildings	88,680	100%	100%	468,942	58,651
Total	**88,680**	**100%**	**100%**	**468,942**	**58,651**

a/ Eligible category

b/ Amount committed by the issuer for the portfolio eligible for Green Bond financing

c/ This is the share of the total budget financing

d/ This is the share of the total portfolio costs that is Green Bond eligible

e/ Impact indicators

Per NOK 1m invested in DNB Green Covered Bonds, the estimated energy savings are 5.3MWh/year and 0.66 tons CO2/year.

ESG and Sustainability in DNB

ESG and Sustainability is linked to Long-Term Value Creation

Strategic measures

- Anchored in corporate governance and top management
- Sustainability/ESG disclosures in accordance with standards (GRI, SASB, TCFD) assured by EY
- Signatory to global sustainability initiatives
- Strong ESG rating by Sustainalytics, ISS and MSCI
- Climate risk as part of risk management

Four core topics define DNB's sustainability strategy

- DNB is a driving force for equality and diversity
- DNB finance sustainable growth through loans and investments
- DNB combats financial crime and promotes a safe, digital economy
- DNB help its customers manage and understand their own finances

ESG Ratings:

MSCI ESG RATINGS AA

CCC	B	BB	BBB	A	AA	AAA

LAST UPDATE: May 15, 2020

ISS QualityScore 1

ENVIRONMENTAL SOCIAL GOVERNANCE

Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES

CDP DISCLOSURE INSIGHT ACTION

A LIST 2019

CLIMATE

SUSTAINALYTICS ESG RISK RATING REPORT

Date **Dec 17, 2019**

DNB ASA

Diversified Banks | Norway | OSL:DNB

16.9 Low Risk

Negl	Low	Med	High	Severe
0-10	10-20	20-30	30-40	40+

DNB Finances Sustainable Growth through Loans and Investments

- ESG is **part of the risk assessment** for corporate loans (>8 MNOK)
- **Towards 2025 DNB will have contributed with:**
  - **NOK 450 billion** in financing **renewable energy and infrastructure,** including bond facilitation by DNB Markets
  - **NOK 130 billion** to the financing of **green real estate,** including short-term construction loans
- By 2020 all new and refinanced shipping loans will include a **clause on responsible ship recycling**
- DNBs start-up pilots will **help at least 5,000 start-ups every year**
- DNB will **contribute with NOK 200 million in start-up loans**
- DNB commits to **climate and decarbonizing partnerships for our key industry sectors**, such as Poseidon Principles which establish a framework for assessing and disclosing the climate alignment of ship finance portfolios (see https://www.poseidonprinciples.org/)

DNB is a Driving Force for Equality and Diversity

- Established internal goal in 2015 of **40% female representation on management levels 1-4**
    - Management level 1-3 currently within the goal
- Using **purchase power to promote diversity and equal opportunities** – law firms, IT and consultancy services
- **Increased focus on equal financial opportunities** through #girlsinvest campaign launched Sept. 2019
    - 110% increase in female fund owners in September 2019 – April 2020
    - More woman save more, and more frequently in funds (75% increase in customers with regular savings in funds)

- Ranked by Epuileap as the **world's most gender diverse corporation** in March 2021[1)]

Most Gender Equal

Rank	Company	Country	Sector	Score
1	**DNB**	**Norway**	**Financials**	**74%**
2	Mirvac	Australia	Real Estate	74
3	WPP	U.K.	Communication Services	72
4	L'Oreal	France	Consumer Staples	72
5	General Motors	U.S.	Consumer Discretionary	71
6	Diageo	U.K.	Consumer Staples	70
7	Nielsen Holdings	U.S.	Industrials	70
8	Enel	Italy	Utilities	68
9	Kering	France	Consumer Discretionary	68
10	Orange	France	Communication Services	68

Source: Equileap Gender Equality Global Report & Ranking 2021
Bloomberg

1) *https://www.bloomberg.com/news/articles/2021-03-07/top-banker-in-norway-links-latest-no-1-ranking-to-childcare*

DNB Sustainability – Online Resources

- [DNB and Society]
- [DNB's Sustainability library]
- [DNB group - Sustainability Factbook 2020]

Sustainability library

Go to Corporate social responsibility

In our library you can find our reports, fact books, guidelines and other documents concerning DNB's work with sustainability and corporate responsibility.

Reporting 2020

- Integrated report 2020
- Sustainability Factbook DNB 2020
- Corporate Governance 2020
- Tax footprint 2020
- Key Figures 2020
- GRI Index 2020
- Carbon accounting report 2020
- Stakeholder dialogue 2020
- Equator principles reporting 2020

Contact us

Our ESG contacts

ESG - a Part of all Credit and Business Decisions

Sources of information:

- **Customer interactions**
  - Meetings
  - Transactions and negotiations
- **Customers' ESG reports, policies or similar**
  - Strategy
  - Goals
- **Customers' business practices**
  - Actions
  - Collaborations
  - Incidents
- **Third party ESG rating**

Implications for DNB:

- **Customer selection**
  - Who we bank with
- **Capital allocation**
  - Who gets priority
- **Credit decisions**
  - What we will finance
- **Customer monitoring**
  - Low, medium or high risk

ESG Approach based on Leading Reporting Framework

- DNB's approach to sustainability is based on methodology from the leading ESG reporting frameworks[1)]

- Using a materiality analysis, we have identified the topics most material when it comes to our ability to deliver on financial commitments and long term value creation, as well as the topics that are seen as most material from our stakeholders perspective (see matrix on next slide)

- Most material ESG topics are addressed in strategy and followed up with KPIs or metrics. The approach ensures prioritization of the most important ESG topics, and make sure these are incorporated in business processes and governance structure.

- All ESG data reported on an annual basis are verified by DNB's financial auditor (EY) according to the GRI standards, and included in the integrated annual report.

Importance to DNB's stakeholders

- Open and ethical business management - Pricing of products and services - Equality and diversity	- Preventing financial crime and corruption - Information secyrity and stable IT systems/ financial infrastructure - Privacy protection - Responsible lending and investment - Innovative business model and product development - View risks and opportunities in a long-term perspective - User-friendly products and services
- Working conditions - Responsible purchasing - Helping startups succeed - Financial literacy	- Restructuring and skills enhancement

Impact on DNB's long-term value creation

The topics that ended at the bottom and at the far left have been taken out of the matrix.
The topics that remain in the matrix are considered the most material and shall be reported in accordance with GRI.

1) *GRI, SASB and TCFD*

Strong development within Sustainable Finance

- During 2019, we experienced a **large increase in the interest for ESG and Sustainable** Finance related products in Norway and we expect volumes, both in sustainable bonds and loans, to increase significantly going forward.
- Sustainable Bonds are becoming **more mainstream**, while different forms of green and sustainability linked loans are gaining strong momentum across our global offices and across sectors. Especially **sustainability linked loans** is a growing theme and where we work together with our clients to find **relevant and ambitious KPIs**.
- We are closely following the **regulatory developments within EU** and advise our clients accordingly. As reporting requirements for investors increase, we expect further **demand for transparency** which in turn should further increase the demand for green bonds given the extra layer of **transparency included in these products**.

2014
DNB's first Green Bond Advisory role for Swedish wind power company Arise

30%
Market share in NOK - market leader

22%
Market share in Norway – market leader

EUR 4 bn
Volume contributed in the global sustainable bond market 2019

Expected impact of ESG regulation

Portfolio analysis and reporting

The implementation of the **EU Taxonomy and related EU Sustainable Finance initiatives** will have a significant impact on DNB in terms of portfolio analysis, especially within credit.

In order to comply with the need for increased transparency on **taxonomy alignment**, there is a need for better reporting on ESG from our customers.

Being a signatory to the **Poseidon Principles**, we have started the process of measuring the carbon intensity of our shipping portfolio, and plan to report on this annually. We have also begun using **Rystad Energy tools** to measure carbon intensity in the oil & gas portfolio.

The **Non-Financial Reporting Directive** will imply new demands within ESG reporting, and we will continue to improve our ESG reporting in line with the revision.

Integrating climate risk and stresstesting

We have ongoing pilots within the credit portfolio, stress testing for climate risk within shipping, oil/gas/offshore and power/renewables based on the **TCFD methodology**.

There will be a in increased need for more forward-looking information, where the TCFD pilot is an important contribution. In 2019 DNB reported in line with the TCFD recommendations.

Climate risk (and ESG risk) is included in the **DNB Credit manual**, as part of the risk assessment for corporate loans (>8 MNOK)

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