

# DNB

29 May 2024



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# DNB – A Brief Overview

# Q1 2024 Highlights

- **Resilient and solid earnings**

- Pre-tax operating profit before impairment

NOK 13 113 mill

- **Impairments**

NOK -323 mill

- **Profit for the period**

NOK 10 203 mill

- Solid profitability with **ROE of 15.6%**

- **CET1 Ratio:** **19.0%**

- **CET1 Capital Expectation:** **~16.8%** (including Pillar 2 Guidance/mgmt buffer)

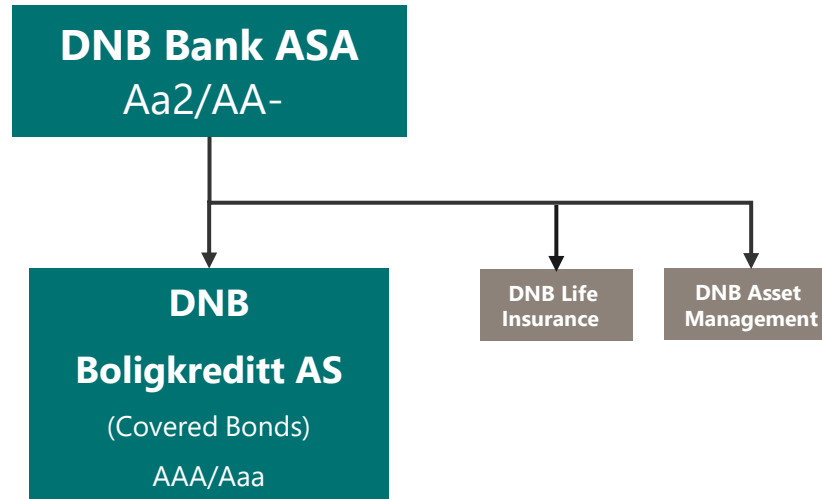
- **Leverage ratio:** **6.2%** (7.9% excluding central bank deposits)

- **MDA (trigger level):** **~15.6%**

# DNB – Norway's Leading Financial Services Group

- Above 25% market share in Norway
- 34% owned by the Norwegian Government
- Credit Ratings:
  - **Moody's: Aa2** (positive outlook), **AT1 : Baa2**
  - **S&P: AA-** (stable outlook), **AT1 : BBB**
- Sustainability/ESG Ratings:
  - Sustainalytics: 15.6 (Low Risk) Management Score: 62.0 (strong)
  - ISS QualityScore: C (Prime)
  - MSCI ESG Ratings: AAA
  - CDP: A- (Leadership)

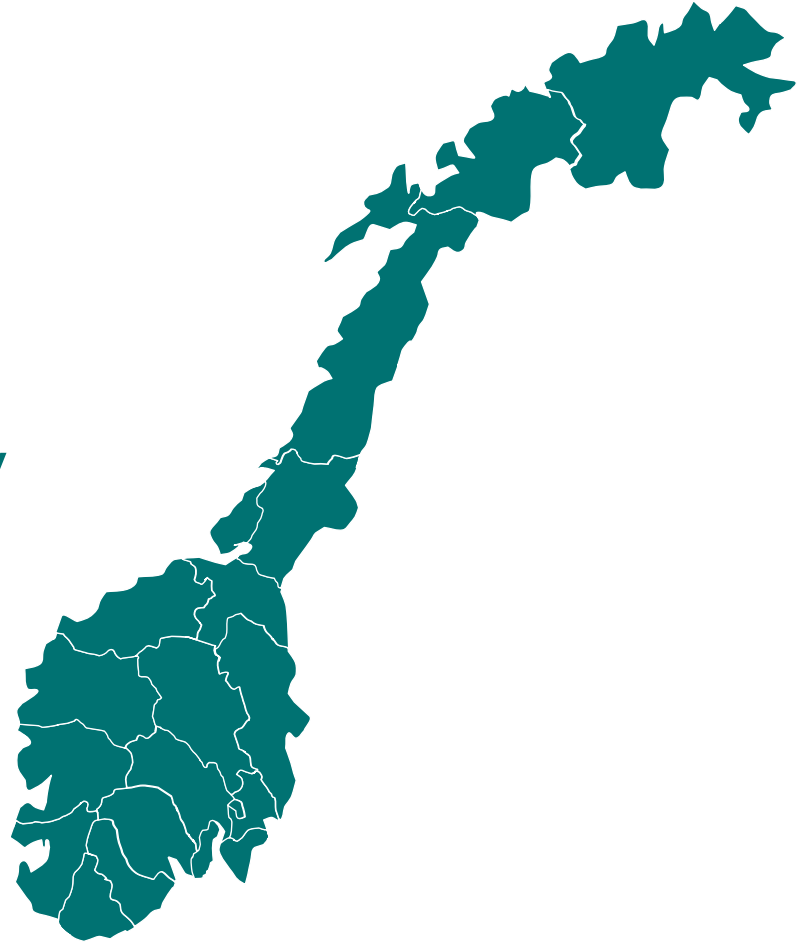
# DNB Group Structure



## DNB Boligkreditt

- ✓ 100% owned by DNB Bank and functionally an integrated part of the parent
- ✓ Mortgages originated within DNB Bank's distribution network in accordance with the bank's credit policy

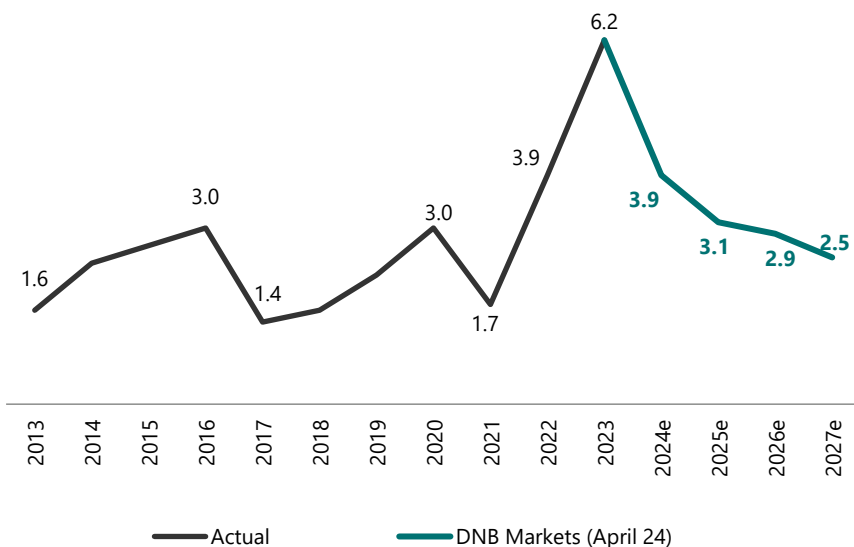
# The Norwegian Economy



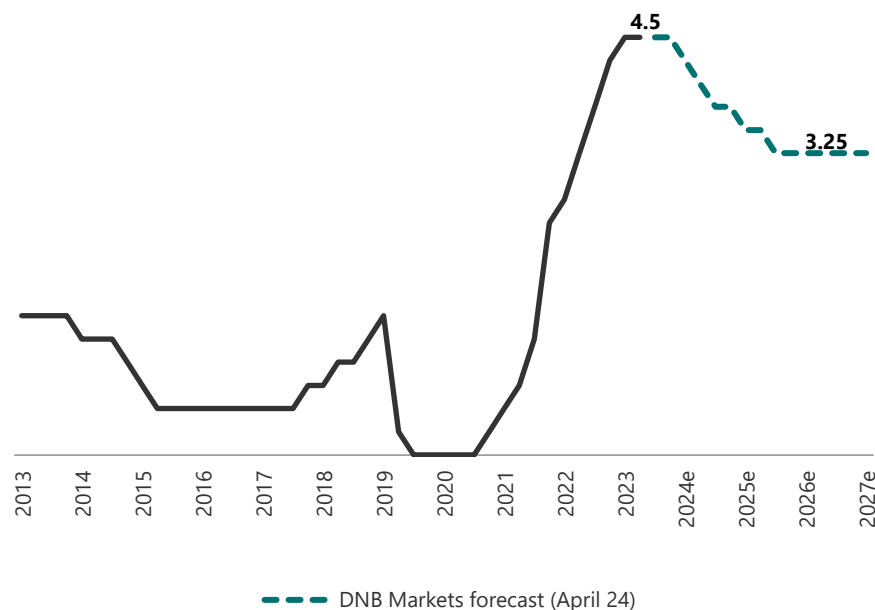
# Key policy rate and inflation

- Key policy rate expected to remain at 4.5% until December 2024, then gradually decrease to 3.25% by year-end 2025
- Policy rate expected to level out well above pre-pandemic levels as inflation is projected to remain well above Norges Bank's target of 2%
- Headline inflation for April: 3.6%, down from 3.9% in March. Core inflation was 4.4%, down from 4.5%.

**Core inflation**  
YoY Per cent



**Key policy rate**  
Per cent

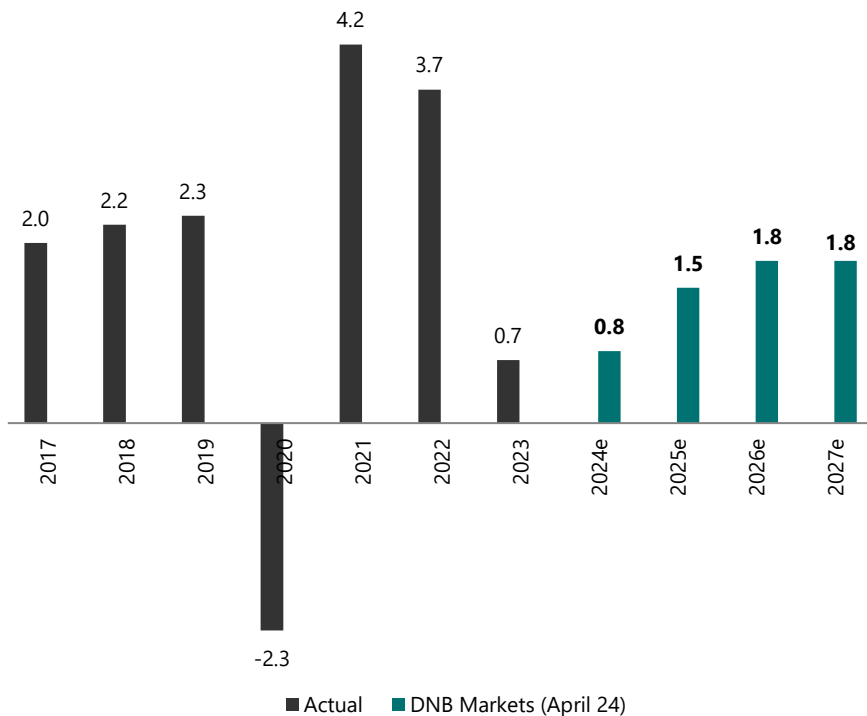


# Norwegian economy remains robust

- Moderate growth in mainland economy forecast in short term, followed by accelerating growth from 2025
- Resilient activity level supports low unemployment going forward

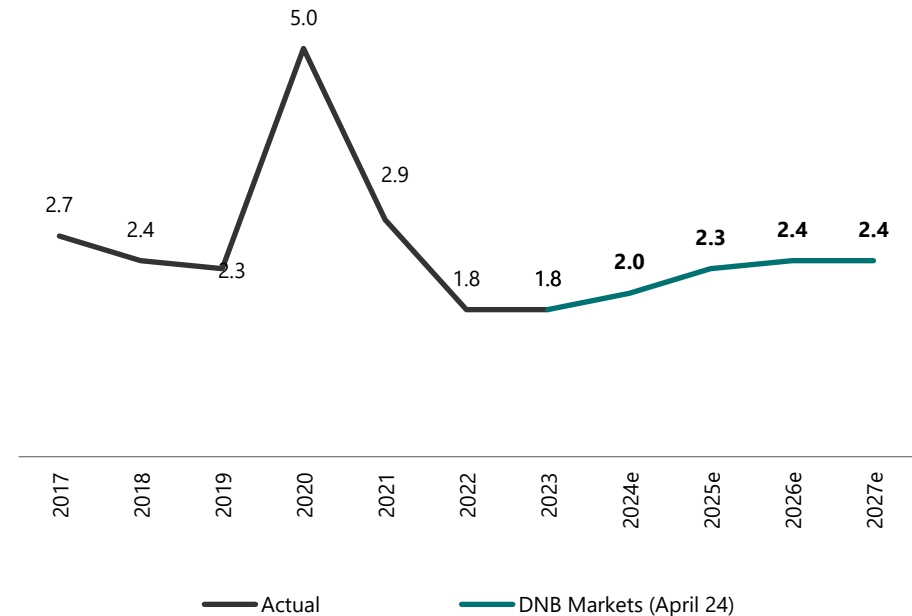
### Mainland real GDP growth

YoY, per cent



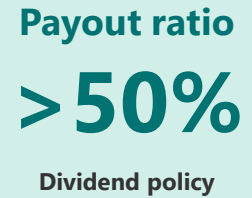
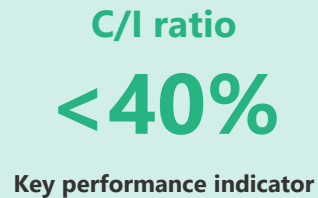
### Registered unemployment

Full-time unemployment, per cent



# Financial Targets, Performance and Capital

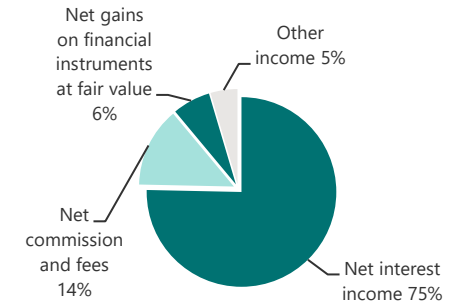
# Financial ambitions 2022-2025



<sup>1)</sup> FSA's expectation incl Pillar 2 guidance

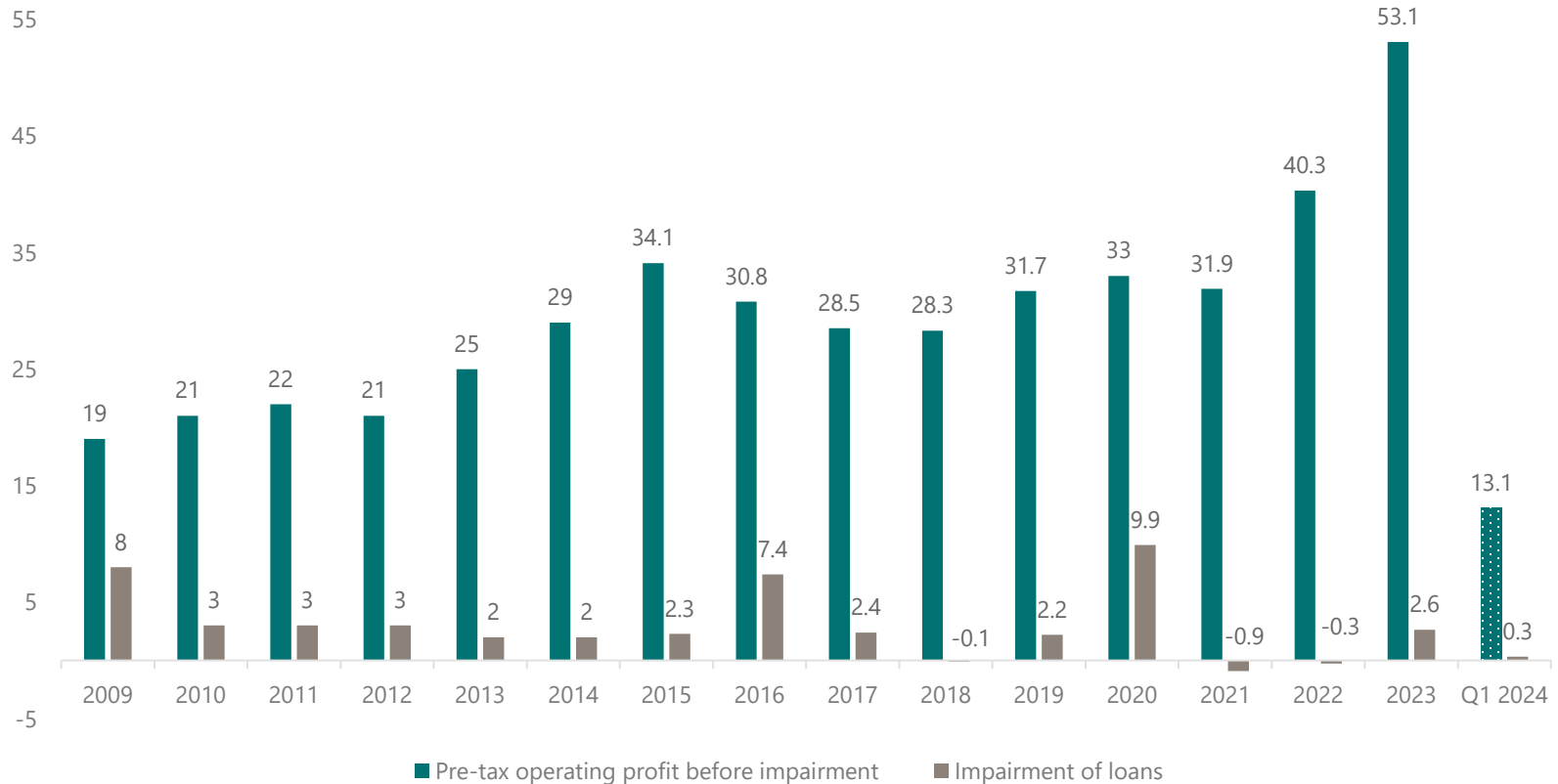
# DNB Delivers Resilient and Solid Earnings

## Total income split 2023



## Pre-tax operating profit before impairment

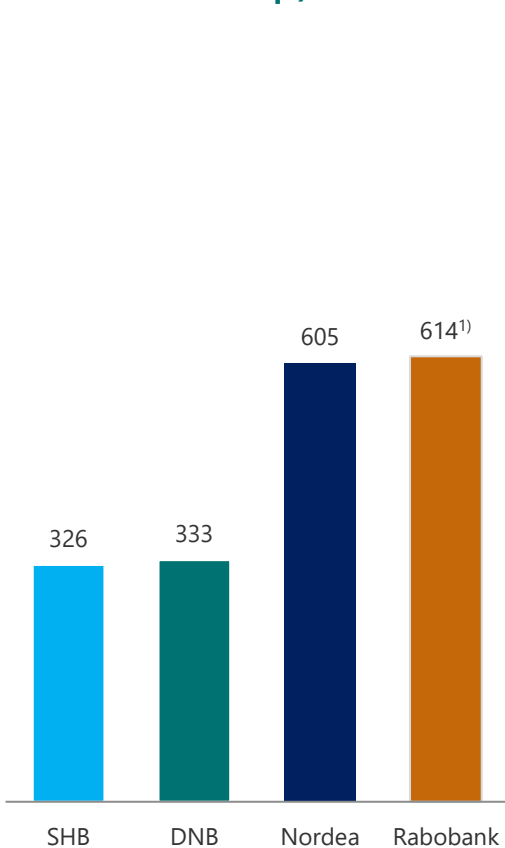
NOK billion



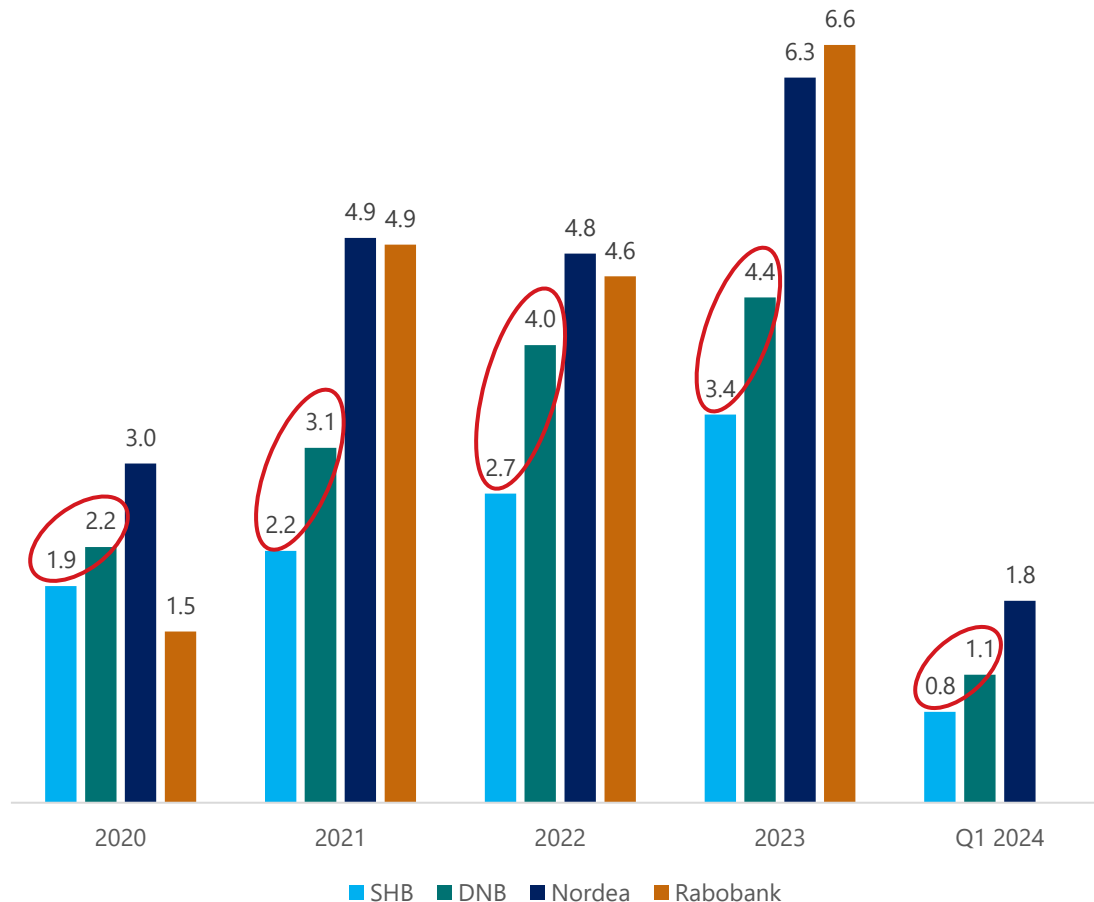
# DNB Earnings in the Context of Peers

## DNB's profitability vs. selected peers

Balance Sheet Size (31 March 2024, EUR bn eqv)



Pre-Tax Operating Profit after Impairments (EUR bn eqv)



<sup>1)</sup> Per 31 December 2023

Sources: Company Websites, Factbooks, Annual Reports. End of Period Exchange Rates used for Balance Sheet Size and Average Exchange Rate used for Operating Profit. Source of Exchange Rates: Bloomberg

# Impairment of Financial Instruments

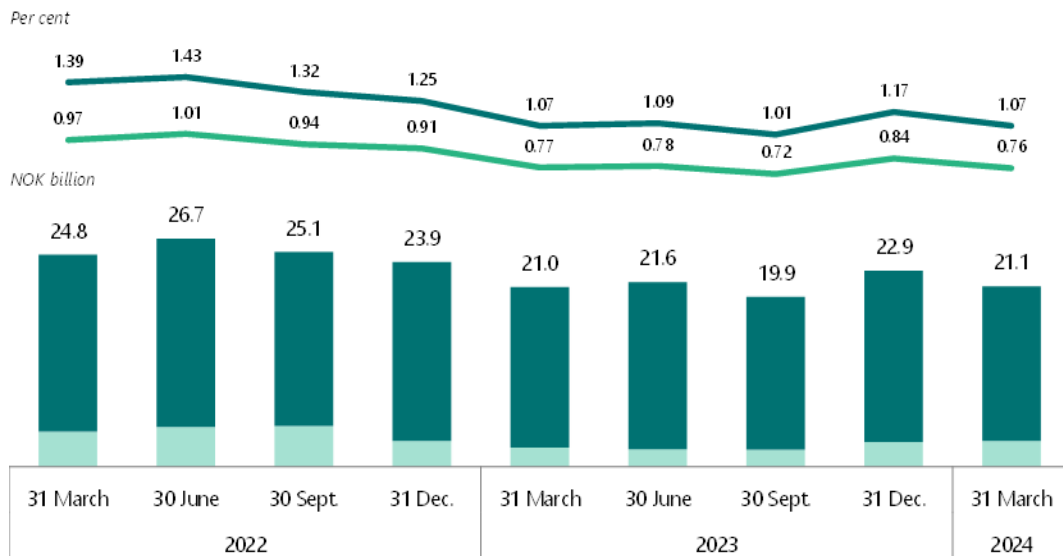
## Impairment of financial instruments per segment, NOK million

	Q1 2024	2023	2022	2021	2020
<b>Write-down ratio (%)</b>	<b>0.07</b>	<b>0.13</b>	<b>(0.01)</b>	<b>(0.05)</b>	<b>0.60</b>
Personal customers	(111)	(276)	(413)	(75)	(65)
Commercial Real Estate	64	(241)	(211)	81	(146)
Residential property	(79)	(200)	(155)	(4)	(55)
Oil, gas and offshore	(14)	905	1 558	324	(6 845)
Shipping	7	1	64	402	(351)
Power and renewables	(18)	(292)	(67)	(234)	(260)
Other Industry segments <sup>1)</sup>	(172)	(2 546)	(503)	374	(2 196)
<b>Total</b>	<b>(323)</b>	<b>(2 649)</b>	<b>272</b>	<b>868</b>	<b>(9 918)</b>

<sup>1)</sup> Includes NOK 671m in provisions related to legacy foreign currency portfolio in Poland

# Net Loans and Financial Commitments (IFRS)

## Stage 3 Net Loans and Financial Commitments (IFRS)

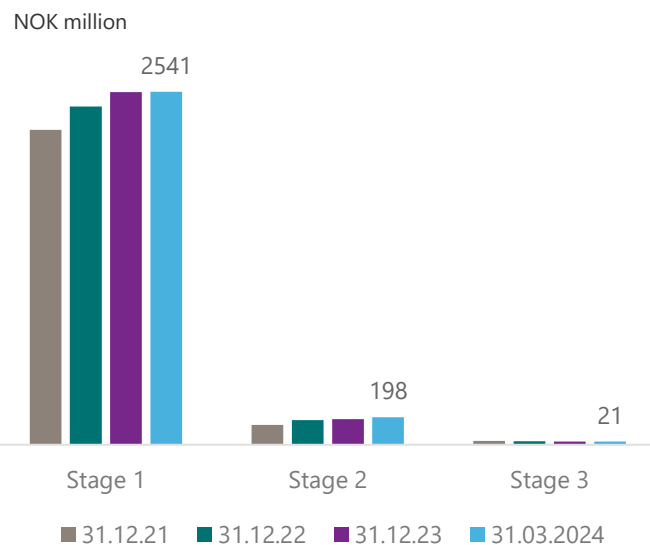


■ Net loans at amortised cost in stage 3  
■ Net financial commitments in stage 3

— Net loans at amortised cost and financial commitments in stage 3, as a percentage of net loans at amortised cost

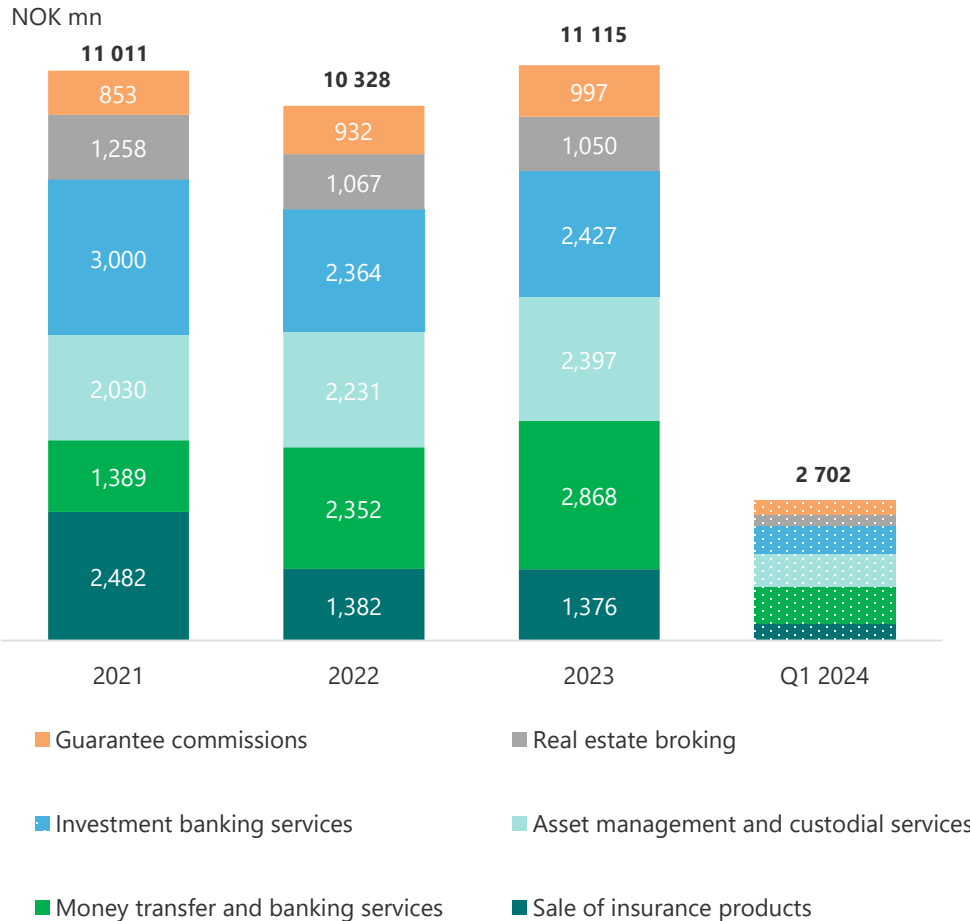
— Net loans at amortised cost and financial commitments in stage 3, as a percentage of net loans at amortised cost and financial commitments

## Net Loans and Financial Commitments Stage 1-2-3



# Commission and Fees – strong performance

- Ambition: ~4-5% annual growth through the cycles



## Well positioned to deliver on the growth ambition

- Increased customer income in Markets from currency, commodities and interest rates driven by higher volumes and competitive pricing
- Strengthened position across products, industries and geographies within investment banking services
- Well positioned for further growth in savings and pensions through strong footprint in the Norwegian market
- Broad-based product offering ensuring recurring income from real estate broking, money transfer and banking services, guarantee commissions and sale of insurance products

# Key Financial Ratios

	Q1 2024	2023	2022	2021	2020	2019
Return on equity (%)	15.6	15.9	14.7	10.7	8.4	11.7
Cost income (%)	35.7	35.0	39.0	43.0	41.5	42.2
Net Interest Margin (%)	1.87	1.84	1.54	1.38	1.45	1.57
Write-down ratio (%) <sup>1)</sup>	0.07	0.13	(0.01)	(0.05)	0.60	0.14
Common equity tier 1 ratio (%)	19.0	18.2	18.3	19.4	18.7	18.6
Total capital ratio (%)	23.6	22.5	21.8	24.0	22.1	22.9
Leverage Ratio (%) <sup>2)</sup>	6.2	6.8	6.8	7.3	7.1	7.4

1) Figures from 1 January 2020 are recognised excluding loans at fair value. Historical figures have been adjusted accordingly.

2) Leverage ratio 31 March 2024 excluding central bank deposits = 7.9%.

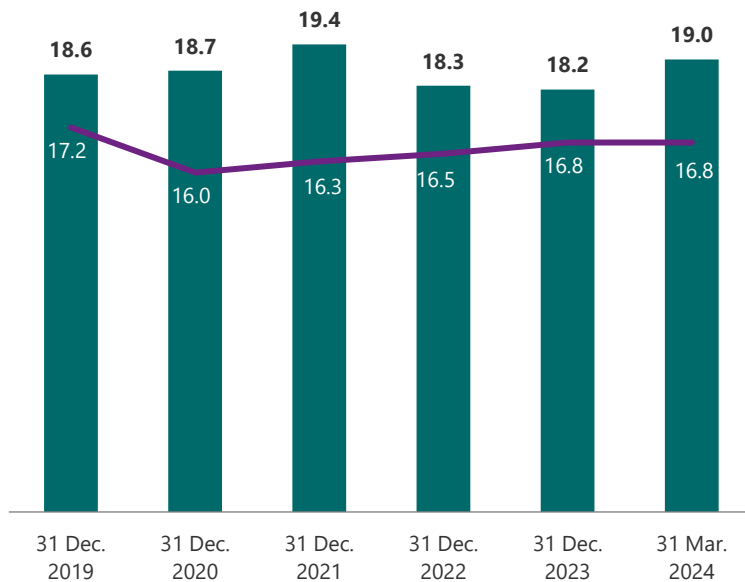
# A Very Strong Capital Position

## - well above capital requirements

- CET1 capital ratio of 19.0% per 31 March 2024, versus regulatory expectation of 16.8%
- Leverage ratio of 6.2% per 31 March 2024, versus regulatory requirement of 3%<sup>1)</sup>
- SREP 2023, effective from year-end 2023:
  - P2R reduced from 2.1 to 2.0%, to be fulfilled with ~1.1% CET1 (minimum), ~0.4% AT1 and ~0.5% Tier 2
  - P2G reduced from 1.5% to 1.25%

### Common Equity Tier 1 (CET1) capital ratio

Per cent

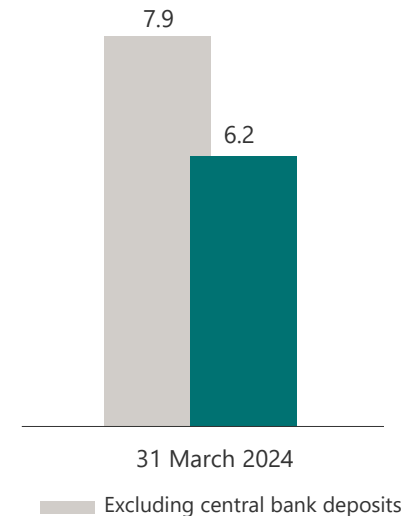


■ CET1 capital ratio

— FSA's expectation

### Leverage Ratio

Per cent

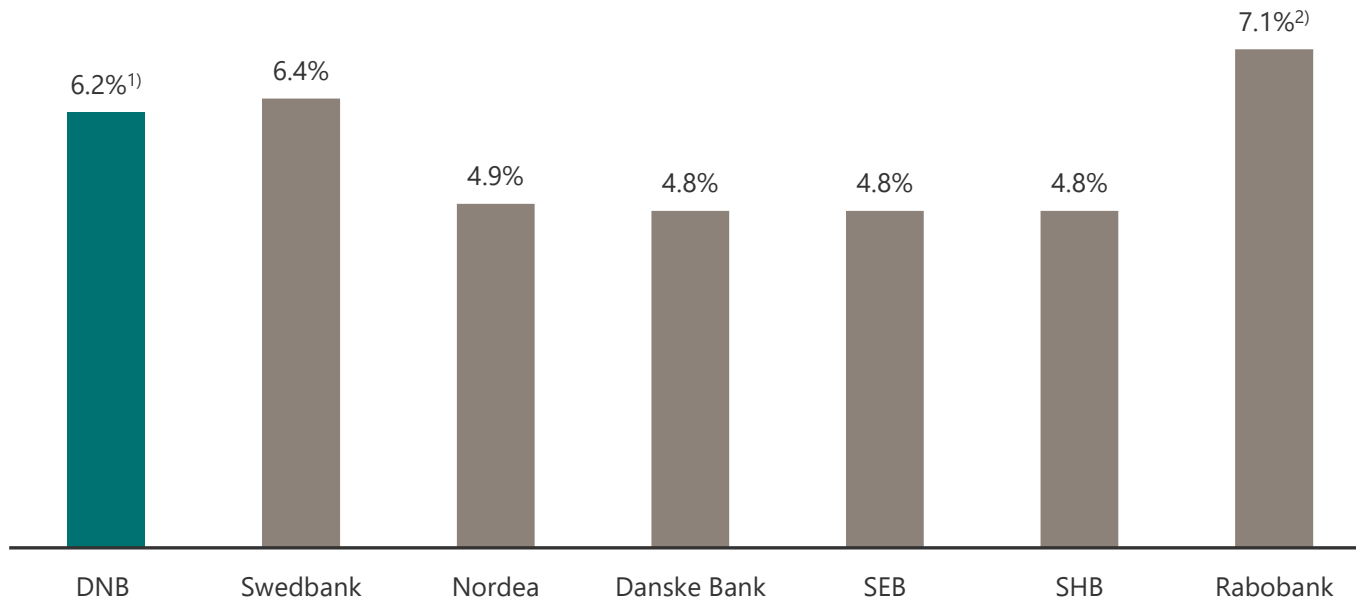


1) Previously, the Norwegian leverage ratio requirement was 6%, consisting of a general leverage ratio requirement of 3%, a general buffer requirement of 2% for banks and a buffer requirement of 1% for systemically important banks. Upon the implementation of the banking package in Norway on 1 June 2022, the 2% and the 1% buffer requirements were removed. Thus, in Norway, the current leverage ratio requirement is 3%.

# A Very Strong Capital Position

## - Leverage ratio versus Peers

As per 31 March 2024



<sup>1)</sup> Leverage ratio 31 March 2024 excluding central bank deposits = 7.9%

<sup>2)</sup> As per 31 December 2023

# A Very Strong Capital Position

## The rating agencies' view of DNB's capital

### Moody's

**Moody's assigns DNB a Capital Score of 'aa1'**

As per 30 June 2023

#### Moody's Capital Score<sup>1)</sup> vs Peers

DNB	Swedbank <sup>5)</sup>	SHB <sup>4)</sup>	SEB <sup>5)</sup>	Rabobank <sup>2)</sup>	Danske Bank <sup>3)</sup>	Nordea <sup>3)</sup>
aa1	aa2	aa3	aa3	aa3	aa3	a1

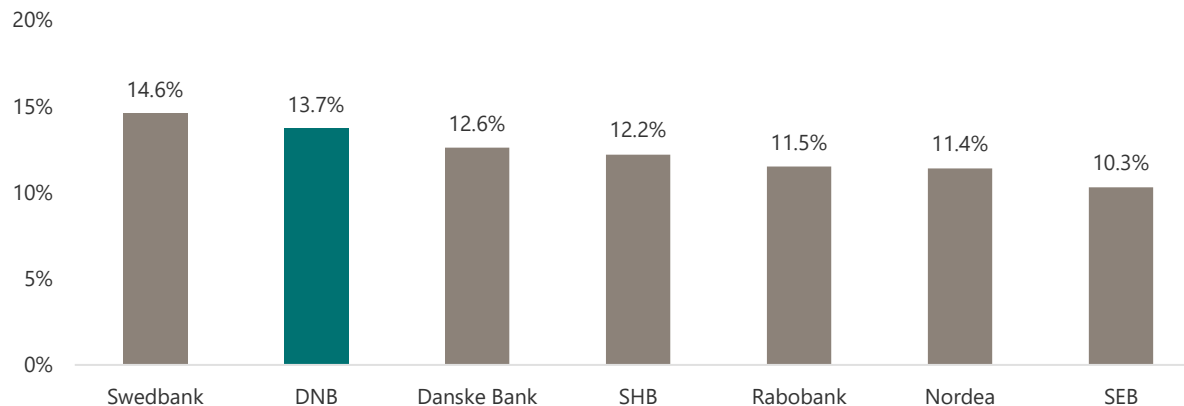
<sup>1)</sup> Tangible Common Equity / Risk-Weighted Assets

<sup>2)</sup> As per 31 December 2022, <sup>3)</sup> As per 31 March 2023, <sup>4)</sup> As per 30 September 2023, <sup>5)</sup> As per 31 December 2023

### S&P

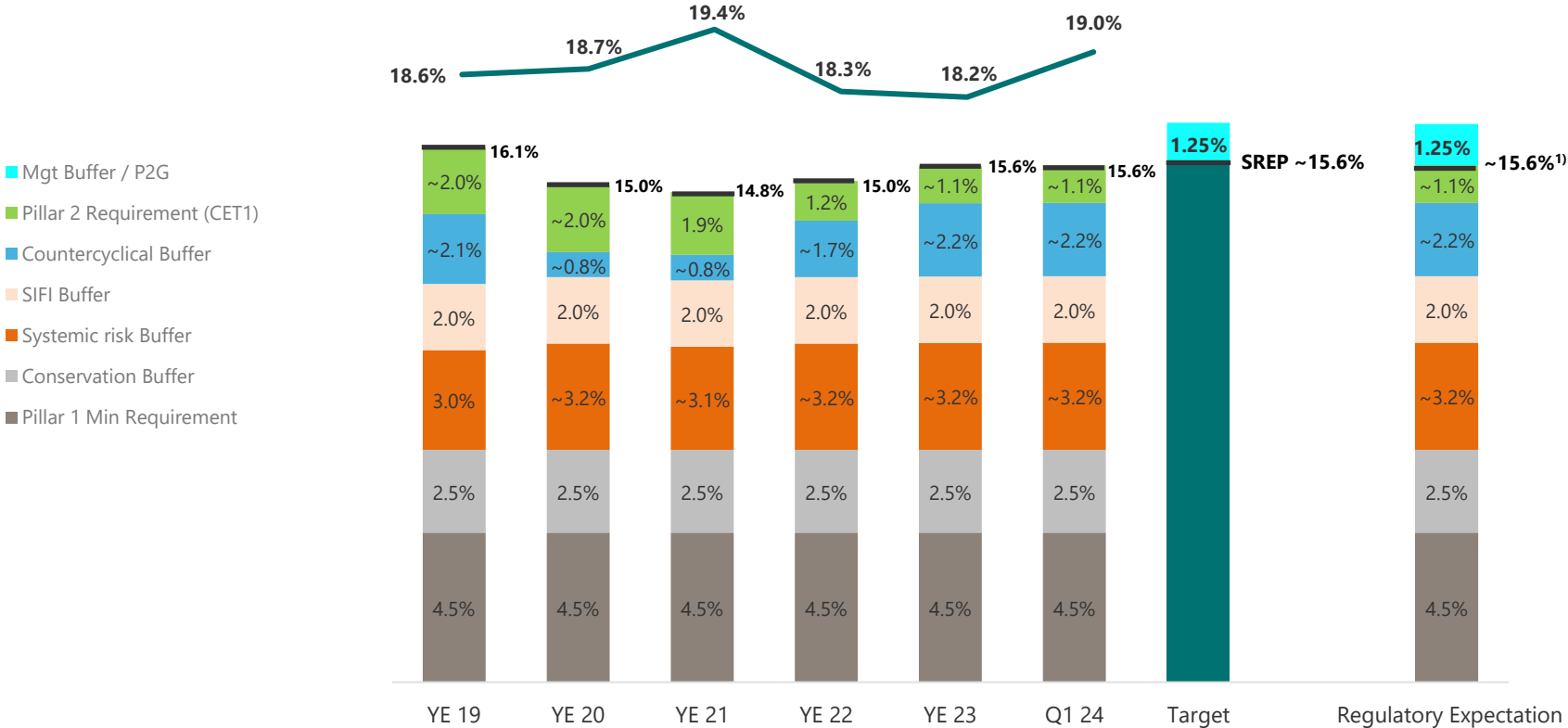
#### S&P RAC Ratio vs Peers

Per Cent, 31 Dec 2022



# CET1 Capital Requirements

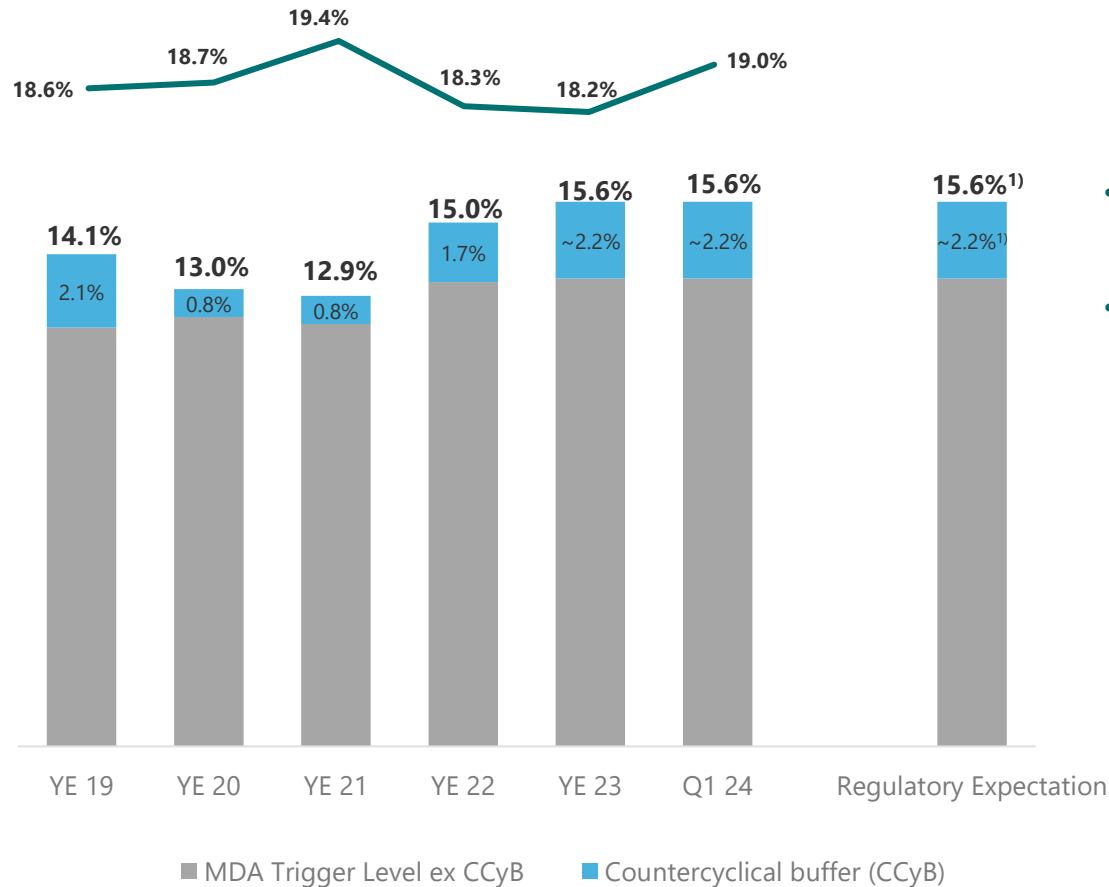
- SREP 2023, effective from year-end 2023:
  - P2R reduced from 2.1 to 2.0%, to be fulfilled with ~1.1% CET1 (minimum), ~0.4% AT1 and ~0.5% Tier 2
  - P2G reduced from 1.5% to 1.25%
- The implementation of Basel IV is expected to have minor negative impacts for DNB, after mitigating actions
- Currently no expected changes in capital requirements



1) Assuming no changes compared to Q1 2024 figures

# MDA – DNB well above CET1 MDA Trigger Level

- Pillar 2 Requirement included in the MDA trigger level with effect from Q2 2022
- P2R set to 2.0%, to be fulfilled with ~1.1% CET1 (minimum), ~0.4% AT1 and ~0.5% Tier 2



- MDA buffer must be seen in connection with DNB's capital generation
- If DNB should fail to meet the capital requirement, DNB will have to develop a plan to the NFSA, and cannot without the NFSA's consent distribute dividend, pay interest on AT1 etc

Dividends and share buy-backs in bps		
	Dividend	Share buy-back
2023 <sup>2)</sup>	220 bps	96 bps
2022	182 bps	13 bps
2021	155 bps	
2020	159 bps	
2019	152 bps	56 bps
2018	135 bps	40 bps

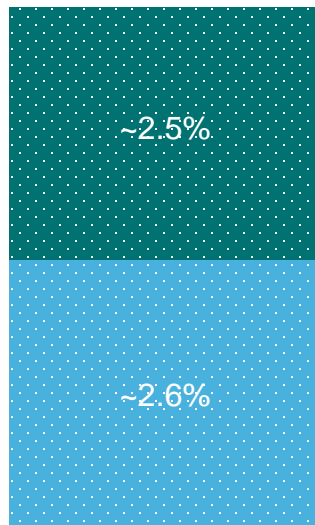
1) Assuming no changes compared to Q1 2024 figures

2) Deducted from the capital per YE 23, dividend paid- and parts of buy-backs effectuated in 2024

# AT1 and Tier 2 Capital

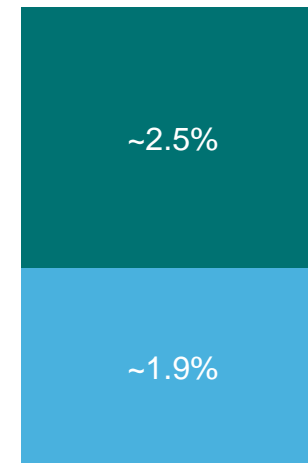
- Following SREP 2023, effective from YE 2023, DNB's Pillar 2 requirement is 2.0% which needs to be fulfilled with ~1.1% CET1 capital (minimum), ~0.4% AT1 capital and ~0.5% Tier 2 capital
- **Thus, DNB's capital requirements can be met with AT1 capital of ~1.9% and Tier 2 capital of ~2.5%.**

AT1 and Tier 2  
Per May 2024<sup>1)</sup>



■ AT1 ■ Tier 2

Maximum utilization of AT1 and Tier 2 to fulfill  
capital requirements

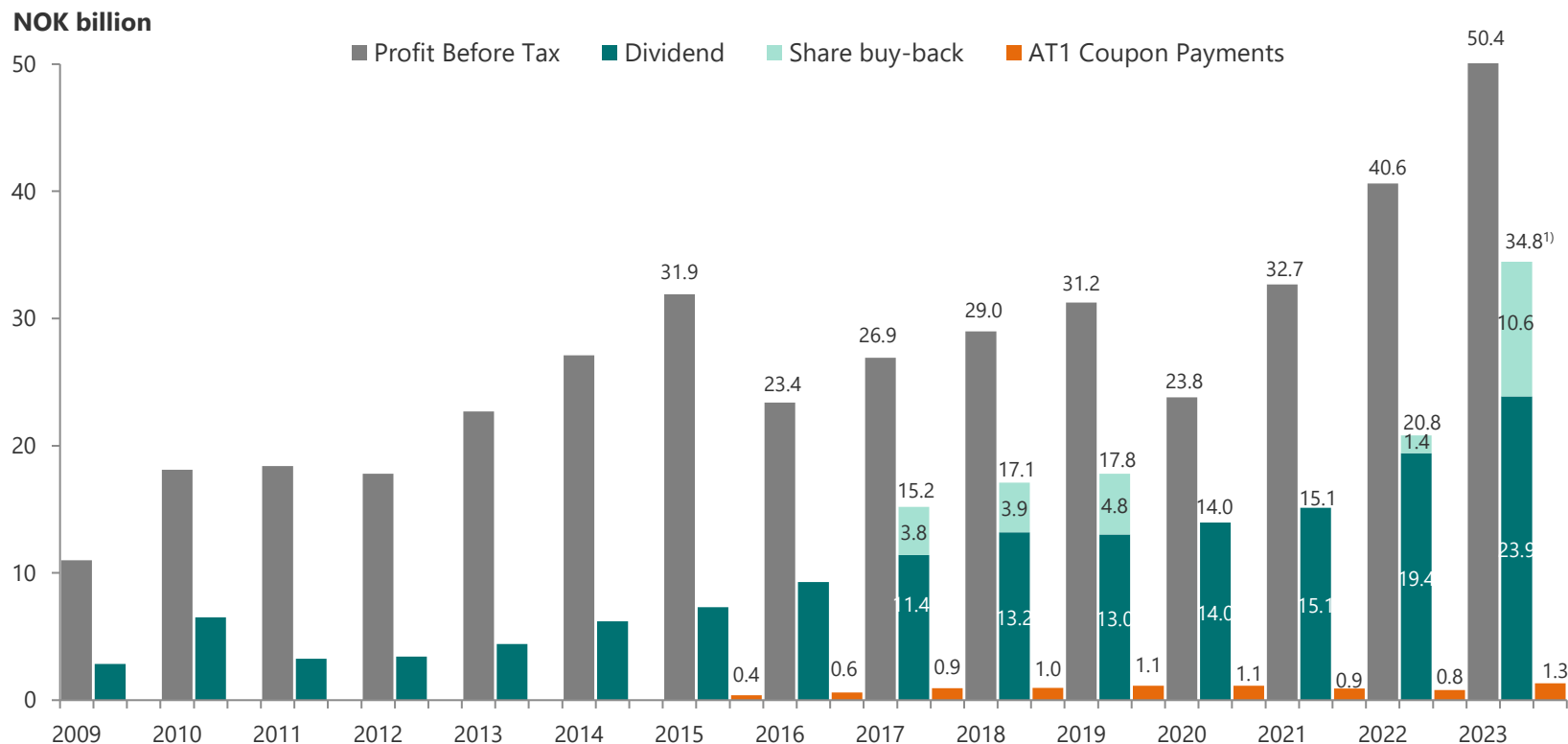


SREP 2023

■ AT1 ■ Tier 2

<sup>1)</sup> Based on REA per Q1 2024 and excluding the NOK 2.7bn AT1 to be called in June 2024 and including USD 700m AT1 issued in May 2024

# DNB's Solid Profitability Should Ensure AT1 Coupon Payments



Dividends and share buy-backs in bps		
	Dividend	Share buy-back
2023 <sup>1)</sup>	220 bps	96 bps
2022	182 bps	13 bps
2021	155 bps	
2020	159 bps	
2019	152 bps	56 bps
2018	135 bps	40 bps

**DNB will give due consideration to the capital hierarchy and look to preserve the seniority of claims going forward\***

\* Statement given at the DNB Capital Markets Day 27 November 2014

1) Deducted from the capital per YE 23, dividend paid- and parts of buy-backs effectuated in 2024

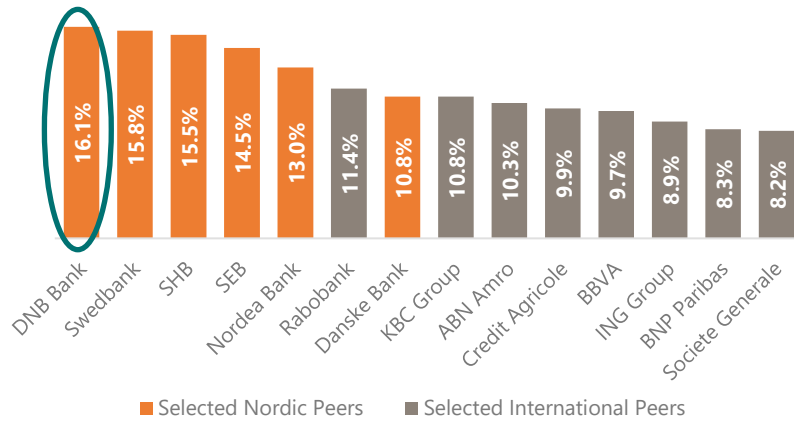
# EBA's 2023 EU-wide Stress Test – DNB Performs very well

- DNB amongst best performing banks across Nordic and International peers

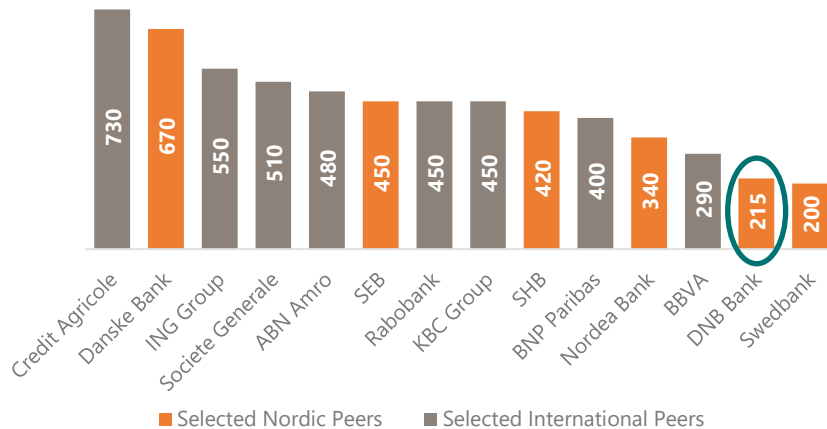
- Under the 2023 EU stress test<sup>1)</sup> DNB's CET1 ratio was reduced by 212 bps<sup>2)</sup> (294 bps in the 2021 EU stress test), which compares to a European average of 459 bps<sup>2)</sup>.

- In the Adverse Scenario, DNB's CET1 ratio is always above the MDA threshold, including the current countercyclical buffer ("CCyB"). The CCyB is likely to be reduced or removed in an Adverse Scenario.
- Stress test includes assumed annual dividends equal to ~70bps on the CET1 ratio for each of 2024 and 2025

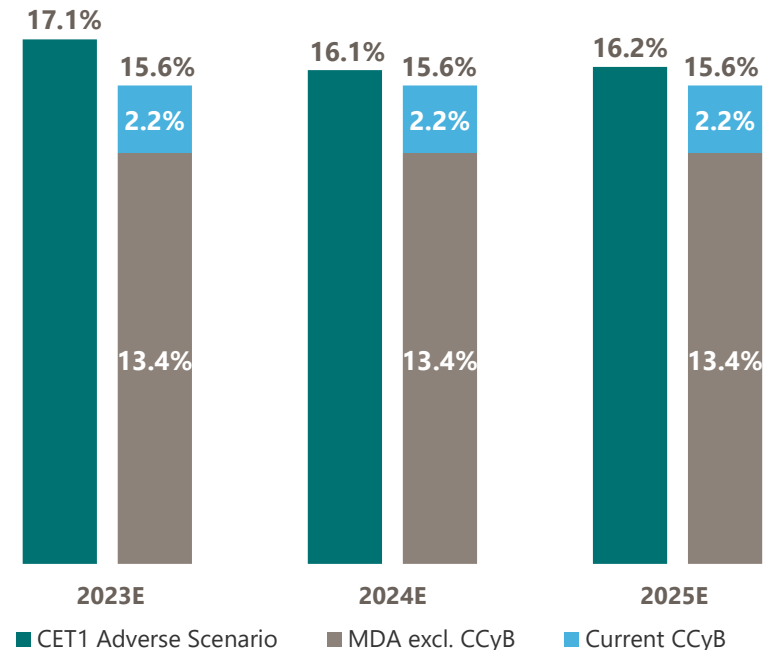
**CET1 Ratio Fully Loaded<sup>3)</sup> – Adverse Scenario (% REA)**



**Reduction in CET1 Ratio<sup>3)</sup> – Adverse Scenario (bps)**



**DNB Performance in Adverse Scenario vs CET1 Thresholds**



<sup>1)</sup> See [EBA publishes the results of its 2023 EU-wide stress test | European Banking Authority \(europa.eu\)](https://www.eba.europa.eu/en/press-communications/2023/03/230323), <sup>2)</sup> Per end 2025, <sup>3)</sup> Low point in test period,

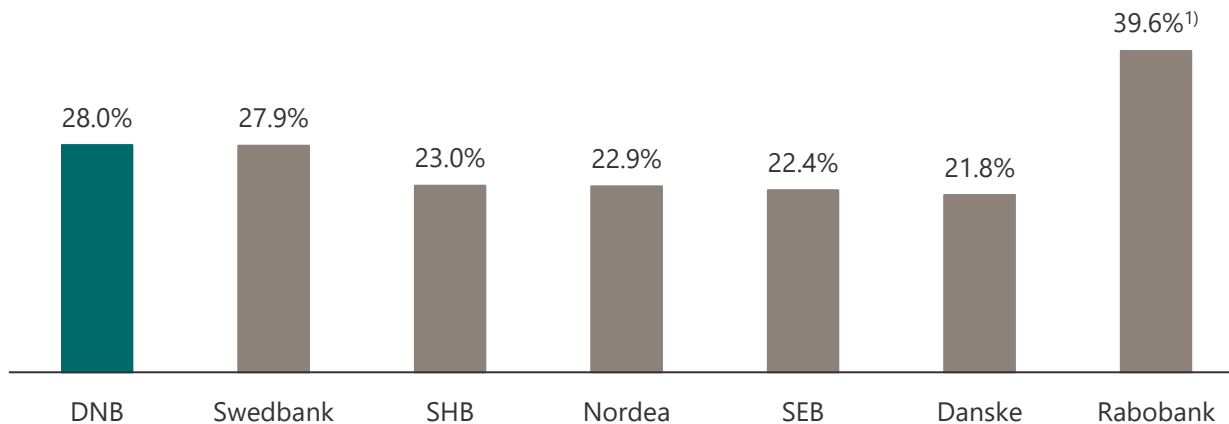
# Basel IV | Risk Weighted Density

- DNB is well positioned for future regulatory requirements

- Basel IV
  - DNB is well positioned due to already high risk weights
  - The implementation of Basel IV is expected to have minor negative impacts for DNB, after mitigating actions
- Risk Weighted Density

## Risk Exposure Amount in % of Total Assets

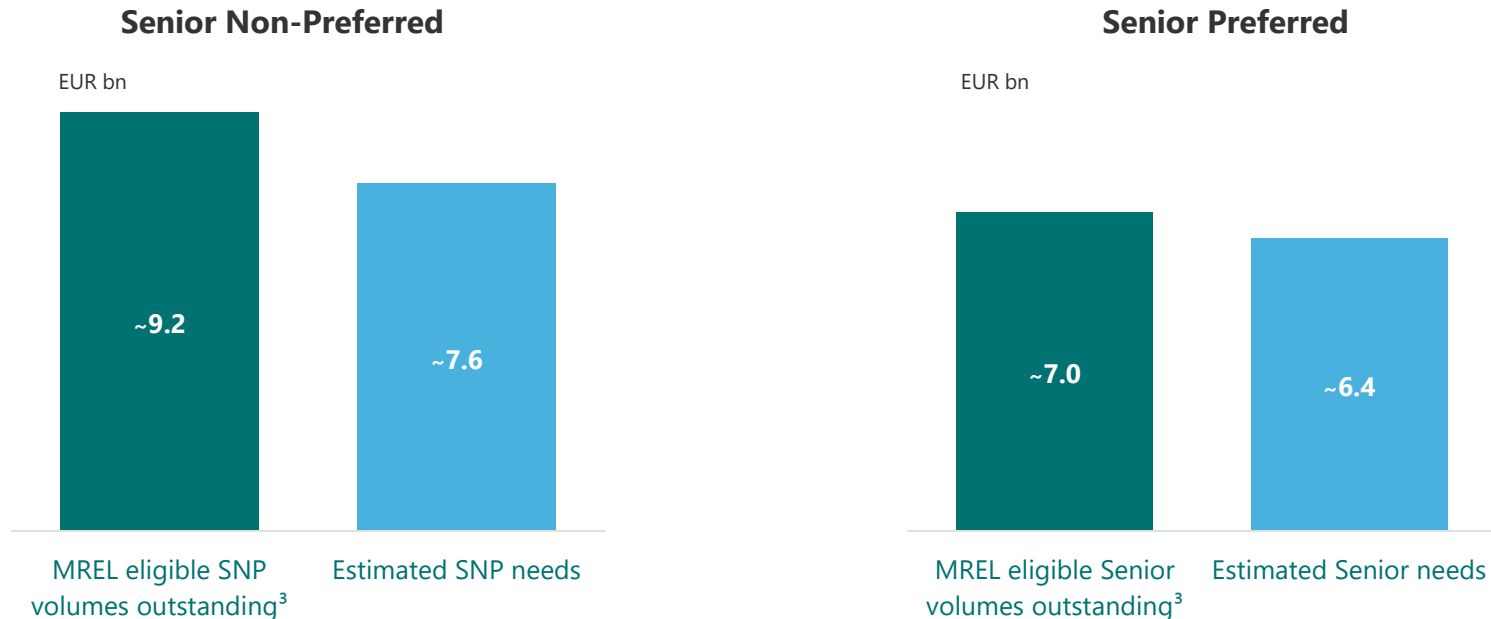
As per 31 March 2024



<sup>1)</sup> As per 31 December 2023

# DNB fulfills the MREL Requirement with a solid buffer

- DNB's **MREL requirement**<sup>1)</sup> is ~38% of adjusted REA<sup>2)</sup> – leading to an estimated need for MREL eligible debt of total **EUR ~14 bn** as per end Q1 2024.
- As per Q1 2024 figures, the requirement can be fulfilled with **EUR ~7.6 bn in Senior Non-Preferred**<sup>4)</sup> and **EUR ~6.4 bn in Senior Preferred**.
- DNB's estimated need for EUR ~14 bn in MREL eligible debt is influenced by excess CET1 capital, which fulfills part of the MREL requirement.



- 1) The MREL requirement will vary over time based on changes in REA and capital requirements. This can also influence the split between Senior Non-Preferred and Senior Preferred. In addition, changes in DNB's buffer to minimum CET1 requirement will impact the volume of MREL eligible debt needed
- 2) Adjusted for DNB Boligkreditt
- 3) Outstanding volumes per 31 March 2024
- 4) In a letter dated 16 September 2021, the NFSA confirmed that CET1 capital used to cover the Combined Buffer Requirements is eligible to cover the subordination requirement (subordination cap).

# MREL fulfillment as of 31 March 2024

MREL per Q1 2024	Reported	Requirement <sup>1)</sup>
Own funds and eligible liabilities as percentage of REA	41.6%	37.7%
- <i>Of which own funds and subordinated liabilities</i>	33.2%	30.0%
Adjusted Risk Exposure Amount <sup>2)</sup> (NOK mill)	969 324	

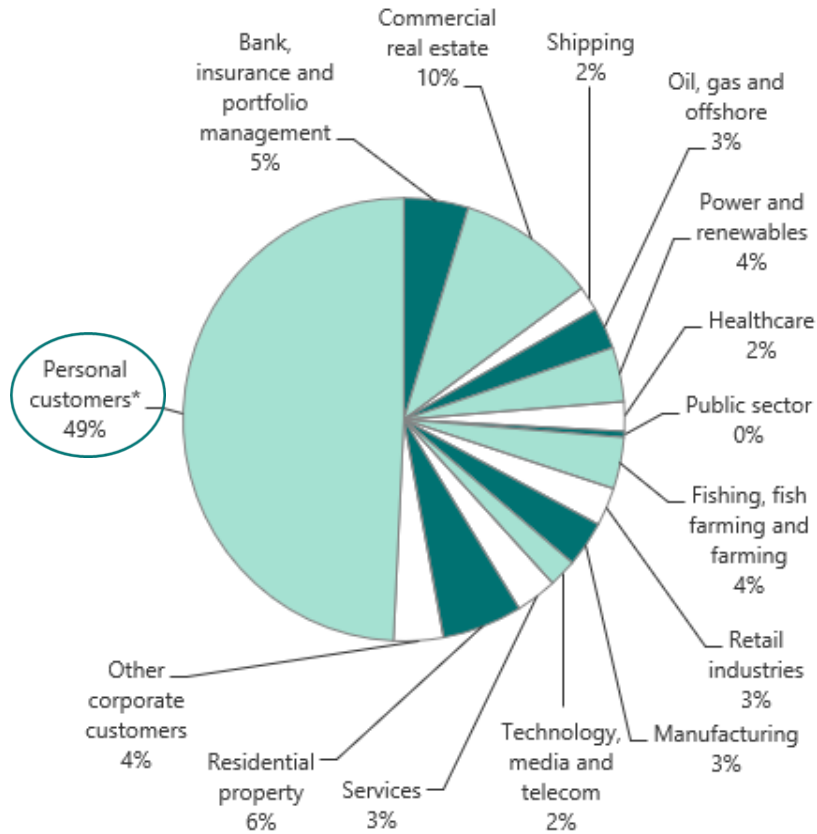
1) The MREL requirement will vary over time based on changes in REA and capital requirements. This can also influence the split between Senior Non-Preferred and Senior Preferred.

2) Adjusted for DNB Boligkreditt

# Loan Book and Asset Quality

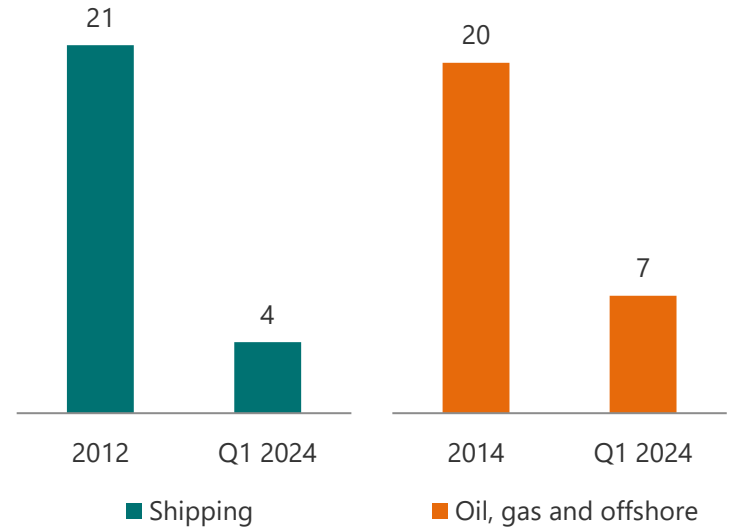
# Loan Book

EAD by Segments as of 31 March 2024



## Reducing Exposure in Cyclical Industries

USD billion



Including net non-performing and net doubtful loans and guarantees. Exposures at default are based on full implementation of IRB.

\*) Of which mortgages 44% of total exposure at default.

# Mortgage Lending in DNB is Based on Cash Flow

1.

## Willingness to repay the loan

Credit history

2.

## Capability of repaying the loan

All new mortgages are stress tested for increased interest rates:

- Until 2023: 5% stress test
- From 2023: 3% stress test, with a stress test floor of 7%

Amortisation requirement above 60% LTV

Total debt max 5x gross income

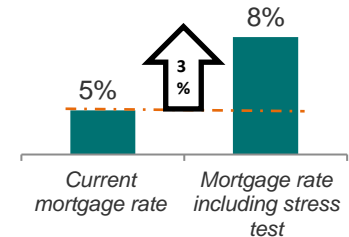
3.

## Collateral

LTV max 85%

4.

## Monthly behavior scoring of borrowers

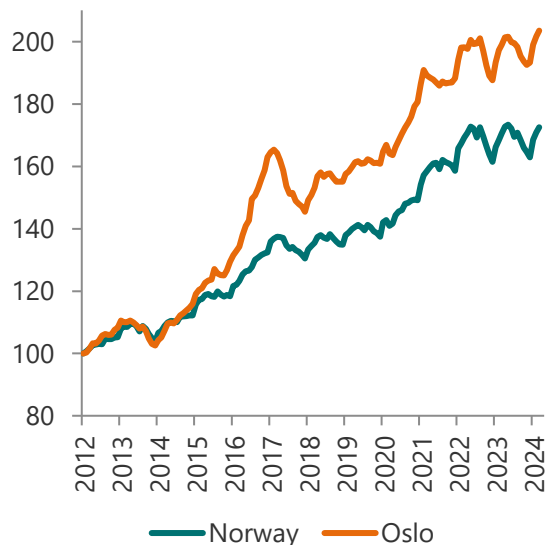


# House Prices in Norway

- House prices increased by 1.2% in April, and is up by 1.1% for the last 12 months
- Strong price development so far in 2024 with an increase of 7.2%

## House Price Growth

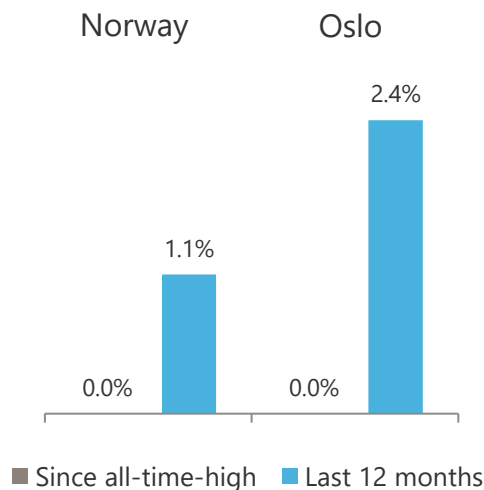
1 Jan 2012 = Index 100



## House Price Growth

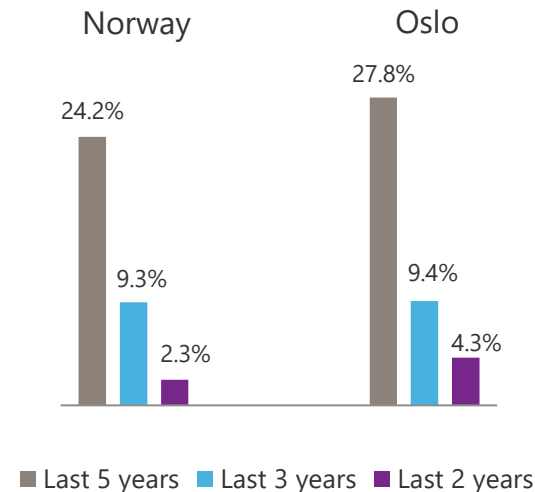
As of April 2024

All-time High = April 2024 for Norway  
April 2024 for Oslo



## House Price Growth

As of April 2024

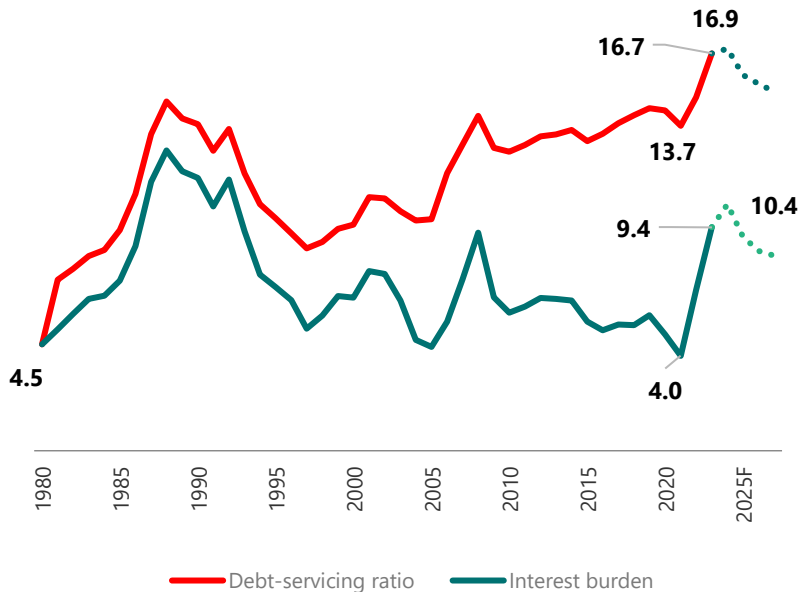


Source: Eiendomsverdi AS  
(member of the European AVM Alliance)

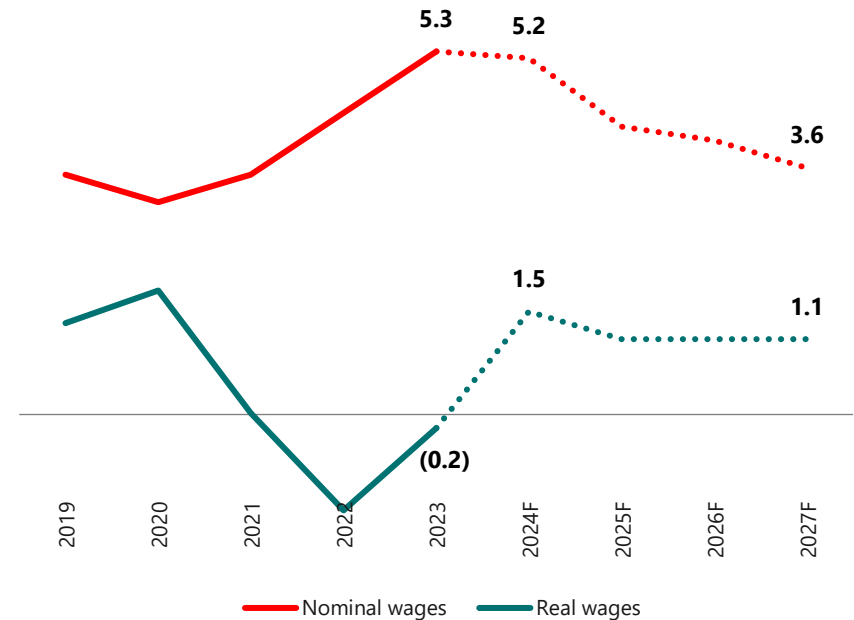
# Improved purchasing power sets stage for rise in consumer spending

- Debt-servicing ratio close to peak – annuity loan structure alleviates burden of higher interest rate
- Real wage growth for households expected to boost purchasing power

**Debt-servicing ratio of Norwegian households**  
Per cent of disposable income



**Real wage development**  
Actual and DNB Markets forecast, Per cent



Sources: Statistics Norway, DNB Markets, Norges Bank (Norwegian central bank)

# Norwegian Lending Regulation

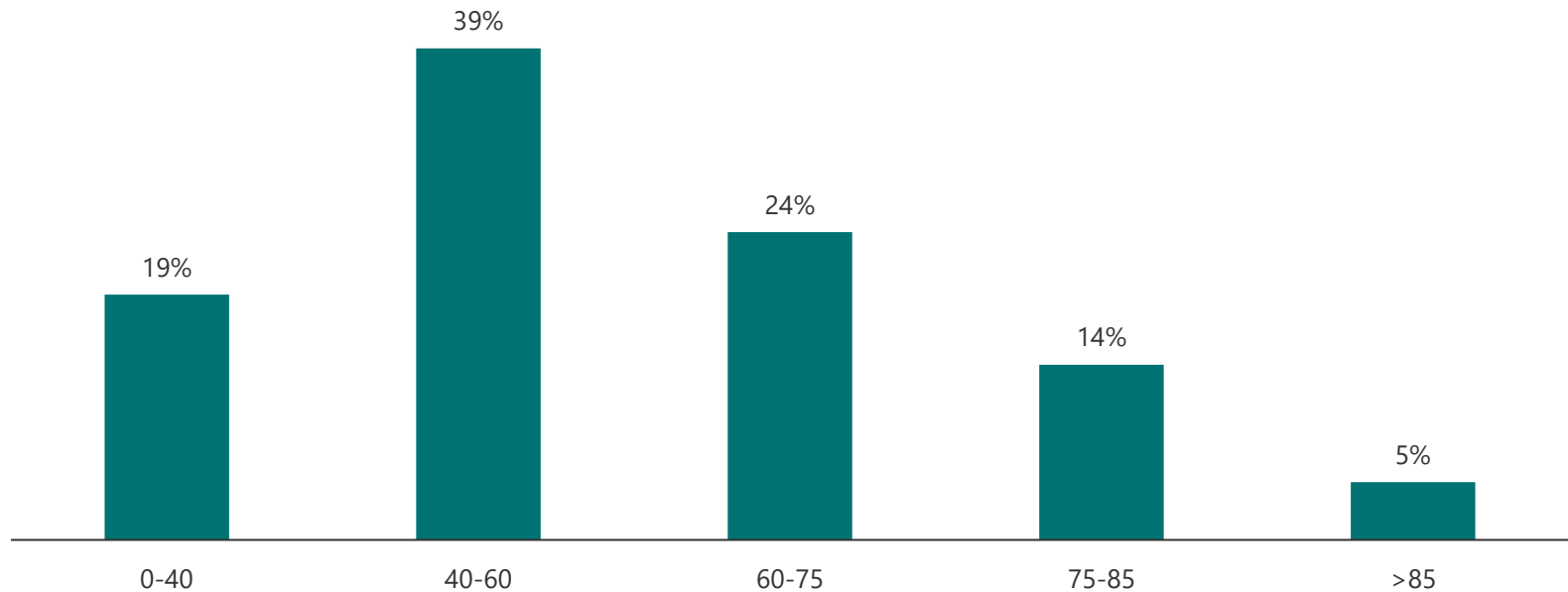
Regulation applicable from 1 January 2023

- Total debt max 5x gross income
- Max 85% LTV
- Debt servicing capacity
  - 3% interest rate increase (stress test floor of 7%)
- Amortisation requirement above 60% LTV
  - 2.5% of approved loan or principal payment as for 30 years annuity
- Banks have some flexibility
  - Banks can deviate in 10% of mortgage applications each quarter
  - In Oslo this flexibility is limited to 8%

# A Very Robust Residential Loan Portfolio

## Loan-to-Value (LTV)

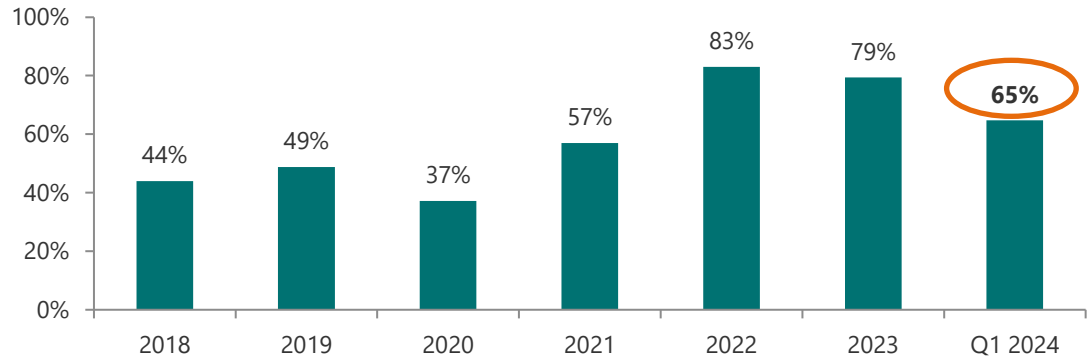
Per Cent of Residential Mortgage Book, 31 March 2024



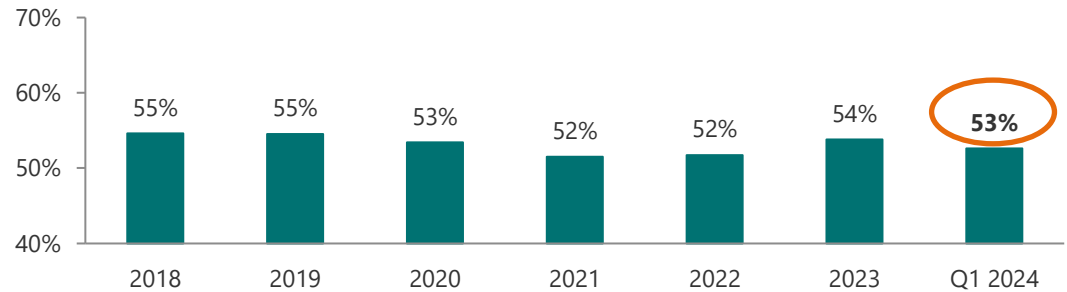
Includes mortgages in DNB Bank and DNB Boligkreditt

# A Robust Cover Pool

**High OC**



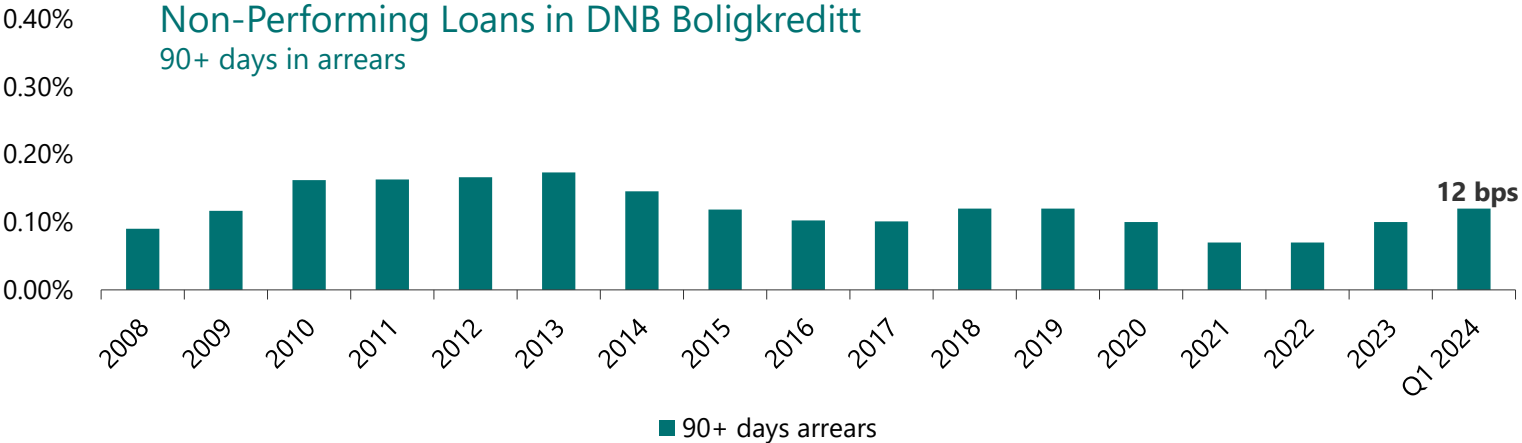
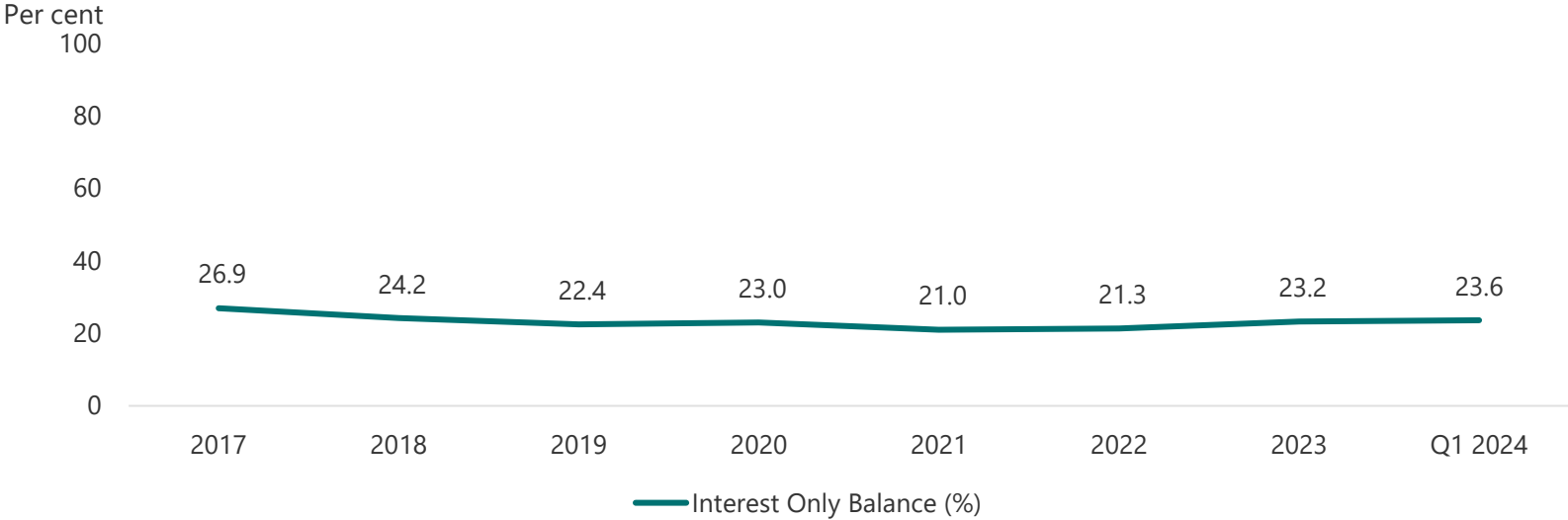
**LTV below 55%  
(Weighted average)**



**Stress test  
-house price decline**

House Price Decline	Current	10%	20%	30%
WA Indexed LTV	52.6%	58.3%	65.6%	74.9%
Eligible OC	64.0%	60.6%	55.5%	46.9%

# Interest Only and Non-Performing Loans in the Cover Pool



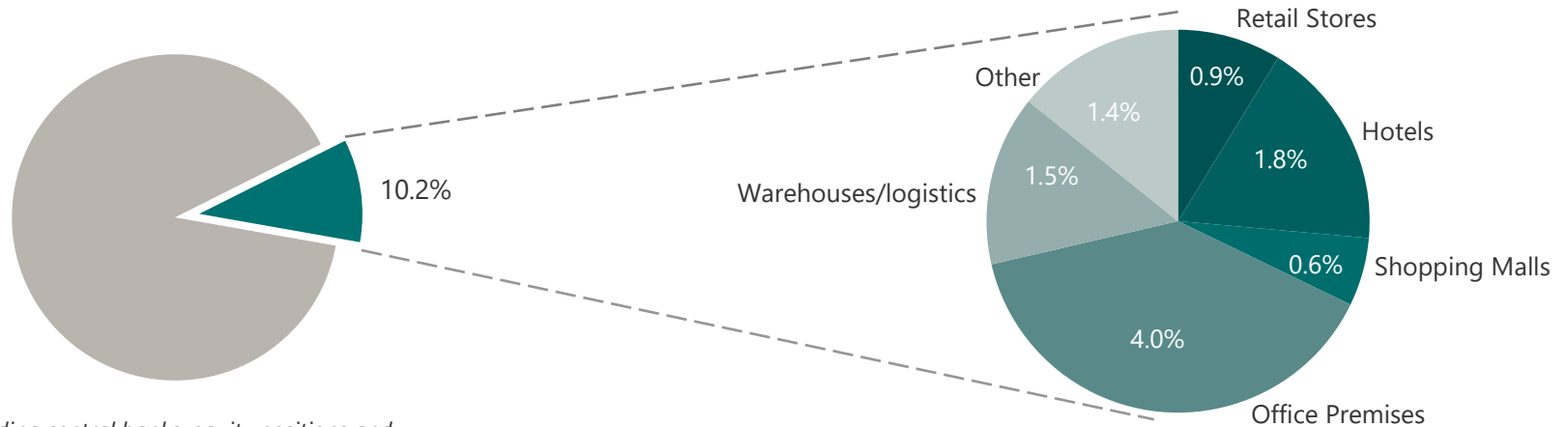
# Commercial Real Estate (CRE) – 10.2% of Total Customer EaD

**Total loan portfolio<sup>1)</sup> – EaD NOK 2,395 billion**

Per cent, as of 31 March 2024

**CRE portfolio – EaD NOK 244 billion**

Per cent of DNB's total EAD, as of 31 March 2024



1) Excluding central banks, equity positions and exposure in associated companies

## Key message

### Robust CRE portfolio

- Credit strategy focusing on cash flow, industrial ownership and residual value
- 74% of exposure to low-risk customers
- 94% of exposure in Norway

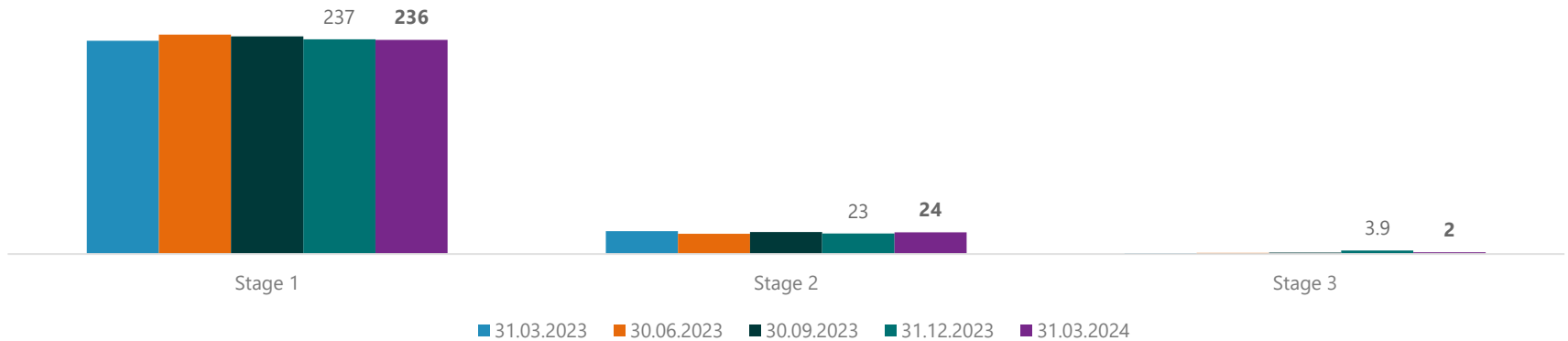
### Risk-mitigating market conditions

- Increasing rental prices, low vacancy rates and limited new-build activity
- Extensive use of interest rate hedging
- 80% of Norwegian CRE bank-financed – low dependency on bond market

# Commercial Real Estate portfolio – Risk distribution

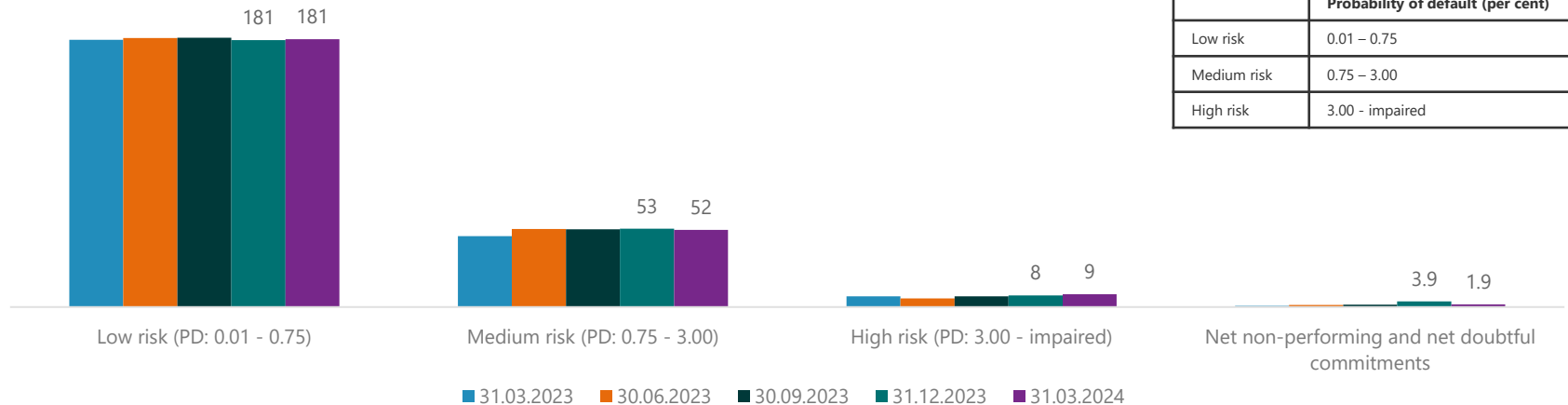
## Net Loans and Financial Commitments Stage 1-2-3

NOK billion, net of accumulated impairment provisions



## EaD distribution by probability of default (PD)

NOK billion



	Probability of default (per cent)
Low risk	0.01 – 0.75
Medium risk	0.75 – 3.00
High risk	3.00 - impaired

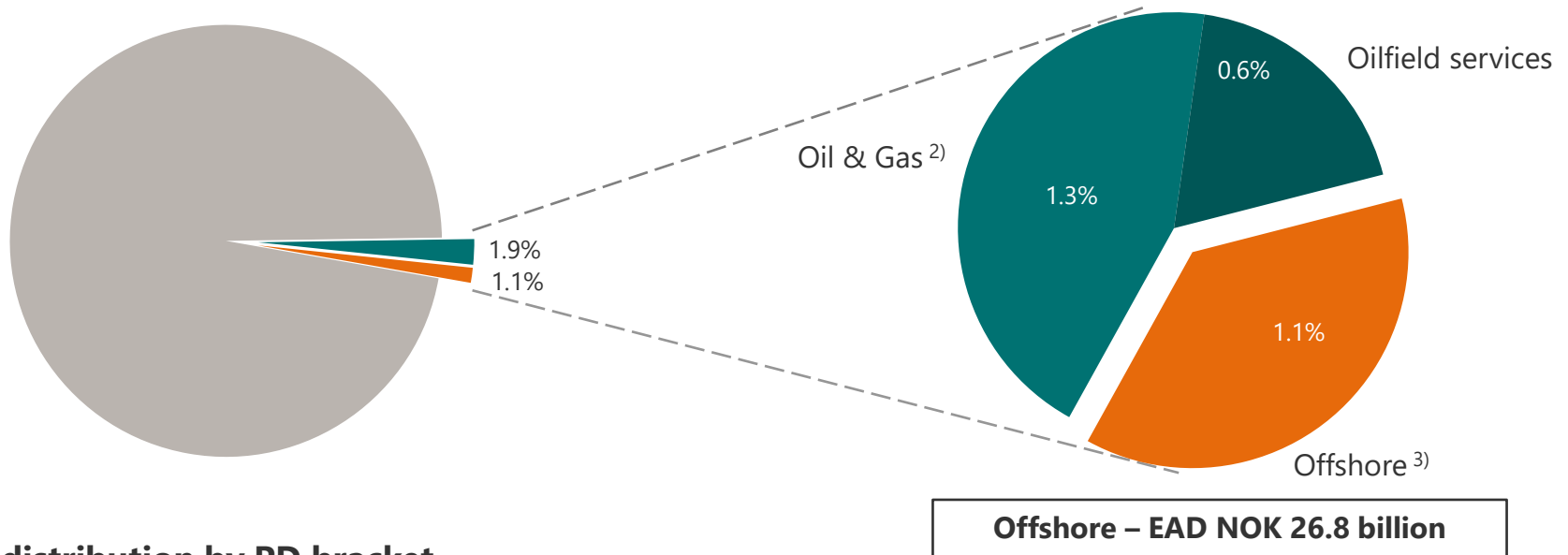
# Oil-Related Portfolio – 3.0% of total customer EAD

## Total loan portfolio<sup>1)</sup> – EAD NOK 2,395 billion

Per cent, as of 31 March 2024

## Oil-related portfolio – EAD NOK 72 billion

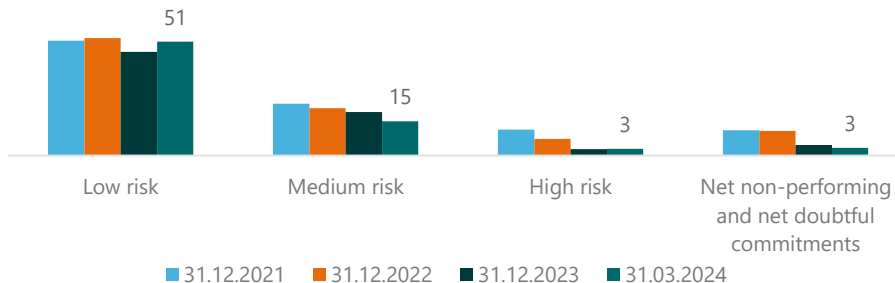
Per cent of DNB's total EAD as of 31 March 2024



**Offshore – EAD NOK 26.8 billion**

## EAD distribution by PD bracket

NOK billion



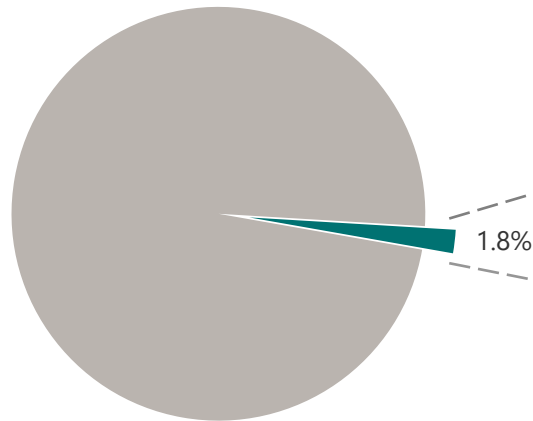
	Probability of default (per cent)
Low risk	0.01 – 0.75
Medium risk	0.75 – 3.00
High risk	3.00 - impaired

1) Excluding central banks, equity positions and exposure in associated companies  
 2) Oil & Gas: Reserve-based lending, Midstream, Exploration/Production, Downstream/Petrochemical  
 3) Offshore: OSV, Rig, Other offshore

# Shipping Portfolio – 1.8% of total customer EAD

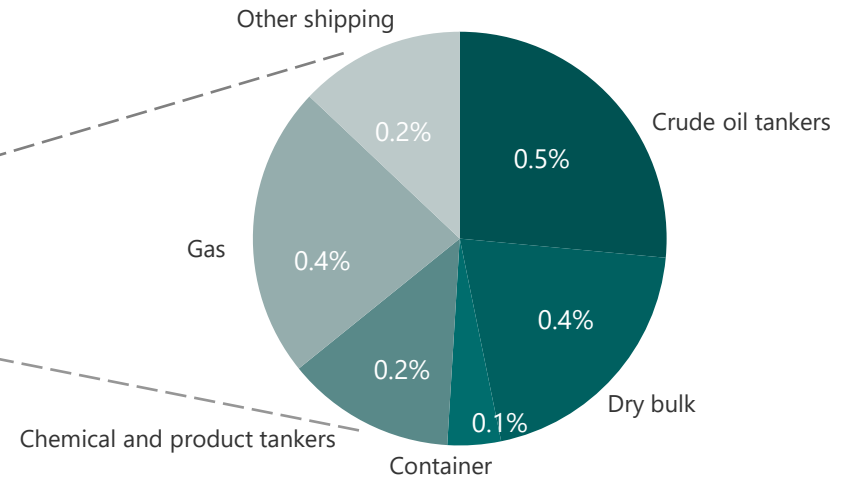
## Total loan portfolio<sup>1)</sup> – EAD NOK 2,395 billion

Per cent, as of 31 March 2024



## Shipping portfolio<sup>2)</sup> – EAD NOK 44 billion

Per cent of DNB's total EAD, as of 31 March 2024

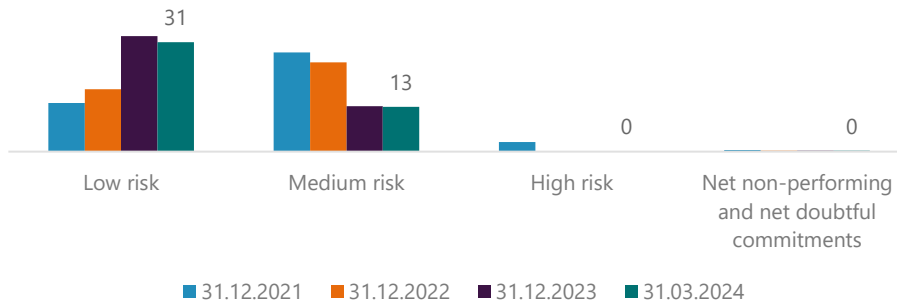


1) Excluding central banks, equity positions and exposure in associated companies

2) Excluding offshore, which is included in oil-related portfolio

## Shipping – EAD distribution by PD bracket

NOK billion



	Probability of default (per cent)
Low risk	0.01 – 0.75
Medium risk	0.75 – 3.00
High risk	3.00 - impaired

# ESG and Sustainability

# DNB will be a Driving Force for Sustainable Transition

Net-zero emissions in

## 2050

from our financing and investment activities and own operations

Transition plan outlining DNB's science-based decarbonisation targets for

## 2030

**Lending:** Real estate, shipping, motor vehicles, steel, oil & gas, power generation and salmon farming

**Investments:** DNB Asset Management, DNB Livsforsikring and DNB Næringseiendom

**Own operations:** Commercial real estate and motor vehicles

Finance and facilitate

## NOK 1500 billion

for sustainable activities by 2030

Increase **assets under management** in sustainability-themed funds to

## NOK 200 billion

By 2025

DNB finances the climate transition and sustainable value creation

DNB is a driving force for diversity and inclusion

DNB combats financial crime and contributes to a secure digital economy

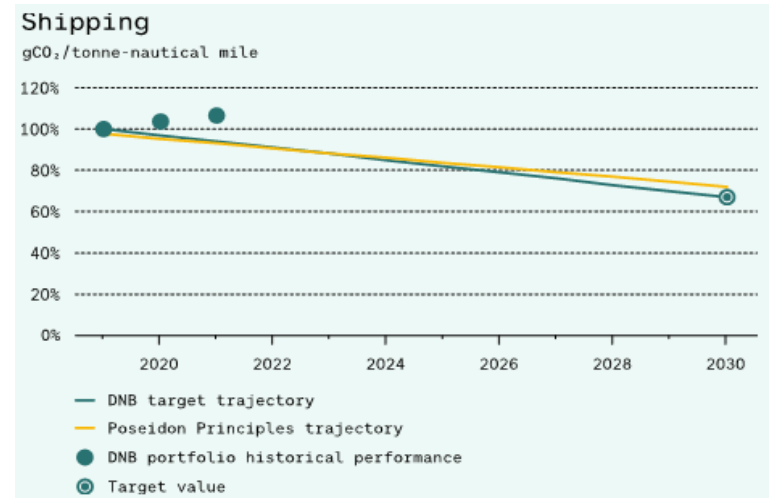
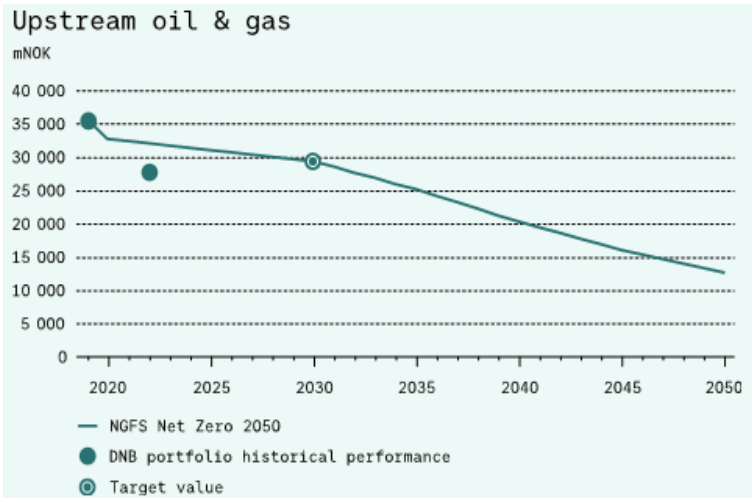
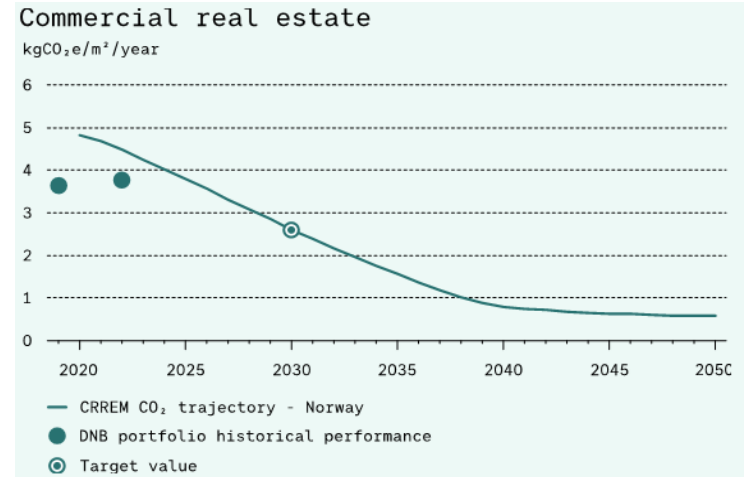
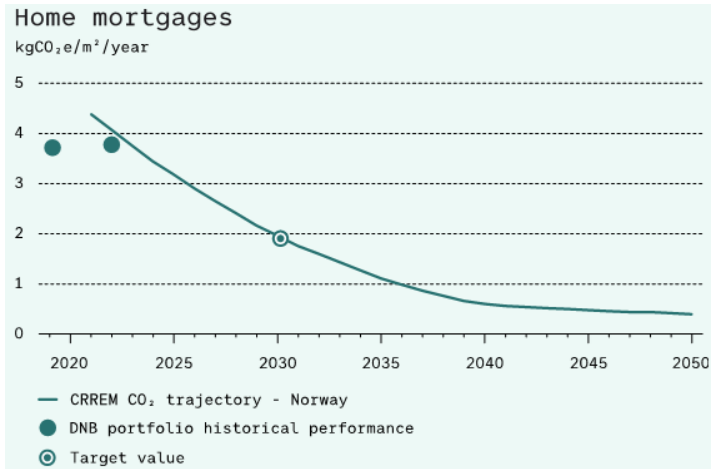
# Transition plan<sup>1)</sup> launched in October 2023 – 2030 targets for lending

<b>Segment</b>	<b>2030 interim targets</b>	<b>Emission scope</b>
Home mortgages	-47% kgCO <sub>2</sub> e/m <sup>2</sup> /year	1 and 2
Housing cooperatives	-50% kgCO <sub>2</sub> e/m <sup>2</sup> /year	1 and 2
Commercial real estate	-29% kgCO <sub>2</sub> e/m <sup>2</sup> /year	1 and 2
Shipping	-33% g CO <sub>2</sub> /tonne/nautical mile	1
Motor vehicles	-32% gCO <sub>2</sub> e/pkm	1 and 2
Steel	-30% tonnes CO <sub>2</sub> e/tonne of steel	1 and 2
Oil & gas	-18% in committed lending amounts	1, 2 and 3*
Power generation	n/a	1
Salmon farming	n/a	1, 2 and 3

*\*) Reduction of total lending commitments covers our exposure to clients' Scope 1, 2, and 3 emissions*

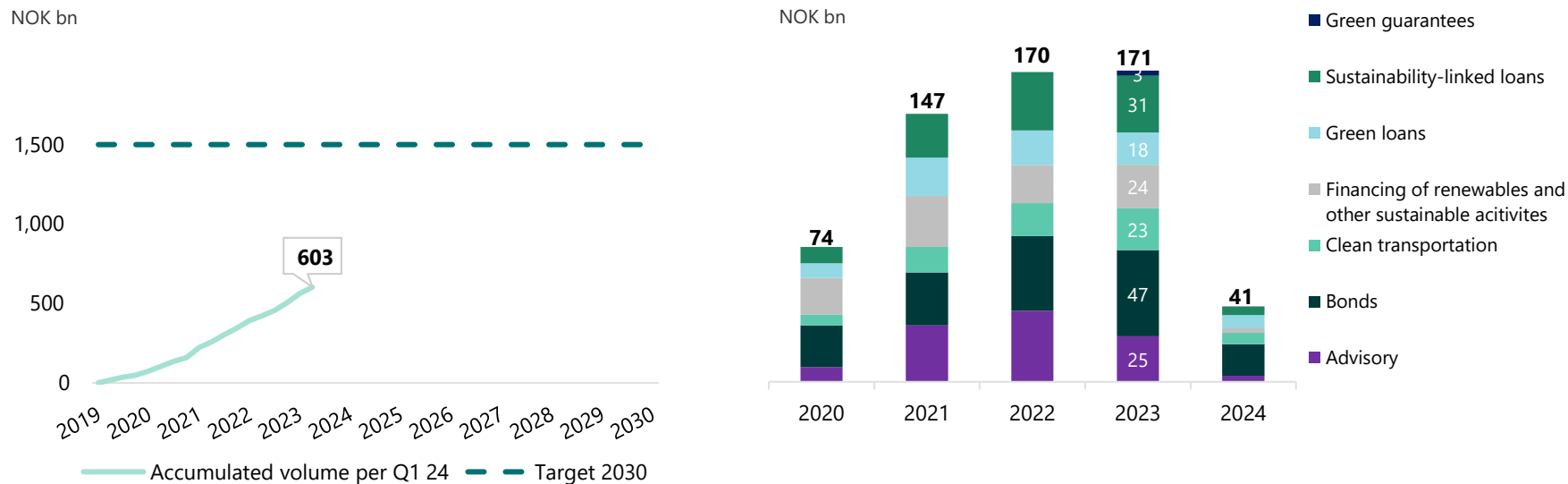
1) Transition plan available at [https://www.dnb.no/portalfont/nedlast/no/om-oss/samfunnsansvar/231016\\_DNB\\_Transisjonsplan\\_digital\\_eng.pdf](https://www.dnb.no/portalfont/nedlast/no/om-oss/samfunnsansvar/231016_DNB_Transisjonsplan_digital_eng.pdf)

# Selected sector specific targets for DNB's lending portfolio



# Attainment financing target and Taxonomy Reporting

## Finance and facilitate NOK 1,500 bn for sustainable activities by 2030



## EU Taxonomy Reporting year-end 2023<sup>1)</sup>

- Proportion of total covered assets funding taxonomy relevant sectors (Climate Change Mitigation):
  - **Taxonomy-eligible:** 44.61%
  - **Taxonomy-aligned:** 5.49%

1) See DNB's 2023 Annual Report (page 85-88), [Annual report 2023 \(dnb.no\)](https://dnb.no/annual-report-2023) and [The EU Taxonomy for Sustainable activities 2023 \(EU Taxonomy for sustainable activities 2023.xlsx \(live.com\)\)](https://live.com/eu-taxonomy-for-sustainable-activities-2023.xlsx) for details

# ESG in the Credit Process

- ESG is **part of the risk assessment** for all corporate loans:
  - EAD > NOK 50 million: Sector-specific ESG risk assessment models for material sectors, including SMEs
  - EAD between NOK 50 and 8 million: Comments on ESG risk factors must be included in all credit proposals.
  - EAD < NOK 8 million: Comments on ESG issues for clients with observed negative deviations must be included in credit proposals
- All new and refinanced shipping loans include a **clause on responsible ship recycling**
- Green loans receive a certain discount

# Diversity and Inclusion

- Established internal goal in 2015 of **40% female representation on management levels 1-4**
  - Q1 2024: 39.0% share of women at management levels 1-4
  - Q1 2024: 60% and 42% proportion of women on the Board of Directors and in the Group Management, respectively
- Using **purchase power to promote diversity and equal opportunities** – law firms, IT and consultancy services.
  - Key performance indicators included in contracts with relevant suppliers
- Increased focus on equal financial opportunities** through #girlsinvest campaign launched in Sept. 2019
  - Since launch of the campaign until YE 2023: **14% increase in female founders** and **240% new female mutual fund owners** through DNB

- BCG Gender Equality Study December 2022: DNB the top rated European Financial Institution

**BCG Gender Equality Index 2022 | Top 10**

Ranking		Score <small>out of 100</small>		Company Name
2022	2021	2022	2021	
1	1	90	83	DNB
2	4	89	78	AIB Group
3	30	86	57	UniCredit <span>New</span>
4	3	83	80	ABN AMRO
5	2	81	81	Bankinter
6	5	75	74	Commerzbank
7	8	74	72	Nordea Bank
8	15	73	67	Banca Monte dei Paschi di Siena <span>New</span>
9	41	72	39	ING Groep <span>New</span>
10	18	72	66	Deutsche Bank <span>New</span>

# ESG Ratings



- 'Strong corporate governance and business ethics framework'
- 'DNB leads most global peers on governance'
- 'The company falls into the highest scoring range relative to global peers, reflecting governance practices that appear to be generally well aligned with investor interests'
- 'The environmental intensity of the bank's commercial loans (FY 2022: ~ 43% of total lending) is low, as per our model'
- 'DNB Bank leads peers in integrating ESG factors into lending and underwriting activities'

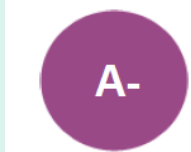


- 'The company's overall management of material ESG issues is strong'
- 'The company has above average preparedness measures to address Product Governance issues'
- 'The company is noted for showing particular strength in the quality and integrity of its board/management, its board structure, its audit and financial performance systems and its stakeholder governance'
- Data Privacy and Security: 'In our view, the company's management of the issue is above average'



- 'For its investment and assets management activities, DNB has established ethical investment guidelines and exclusion criteria'
- 'DNB has developed CSR/ESG risk assessment tools on five themes: environment, climate change, human and labour rights, corruption, governance and transparency'
- 'DNB offers its client socially responsible and green mutual funds as well as mandates based on tailor-made ethical investment criteria'

Your CDP score



- 'DNB received an A- in the 2023 score report which is in the Leadership band. This is higher than the Europe regional average of B, and higher than the Financial services sector average of B.'

# DNB Sustainability – Online Resources

- [DNB and Society](#)
- [DNB's Sustainability library](#)
- [DNB Group - Key figures 2023](#)
- [DNB's Transition Plan](#)

## Reporting 2023

- ↗ Annual report 2023
- ↗ Annual Report Responsible Investments in DNB Asset Management 2023
  - » EU Taxonomy for sustainable activities 2023
- ↗ Sustainability indices 2023
- ↗ Corporate Governance 2023
- ↗ DNB's tax contribution 2023
- ↗ Report on the activity duty and duty to issue a statement 2023
- ↗ Report under the Norwegian Transparency Act 2023
- ↗ Modern Slavery Act statement 2023
- ↗ Key figures 2023
- ↗ Carbon accounting report 2023
- ↗ Ongoing stakeholder dialogue 2023
- ↗ Support to global initiatives 2023
- ↗ PRB Self-assessment 2023
- ↗ Climate Change (CDP) 2023
- ↗ Risk and capital management 2023

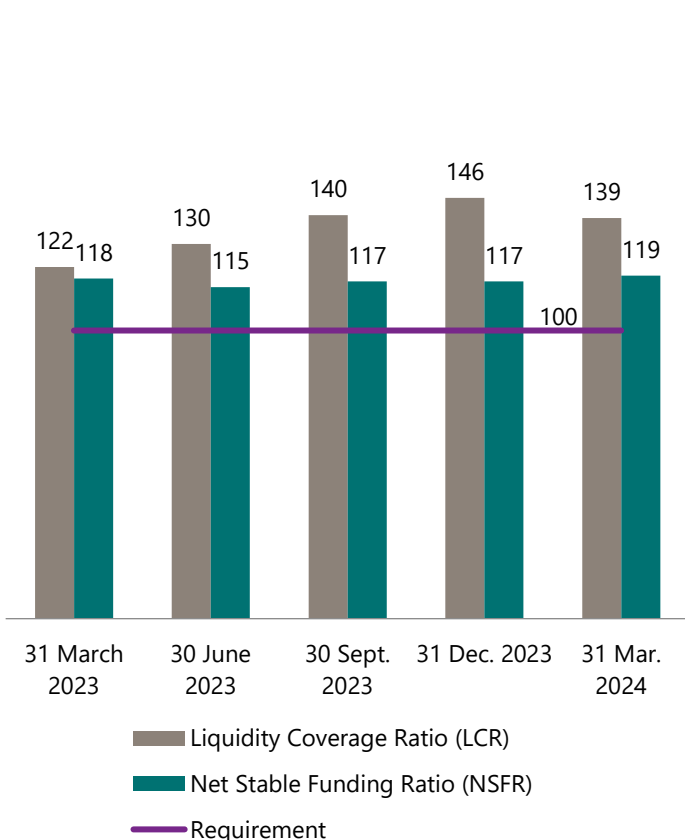


# Funding

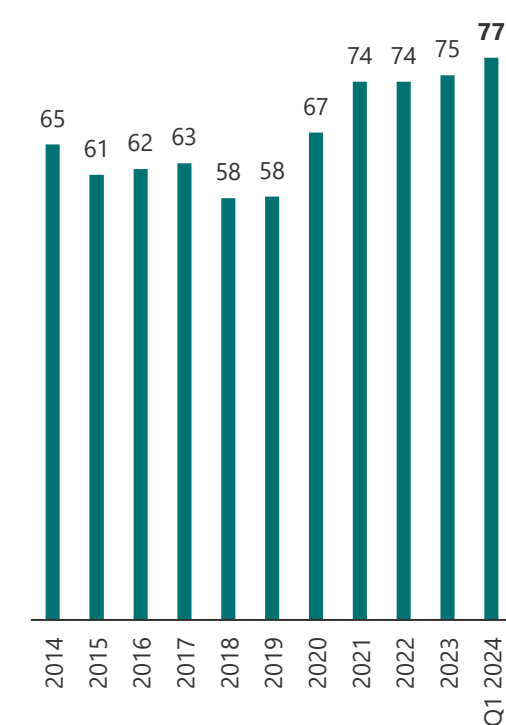
# DNB Funding Structure

- Well diversified deposit base - No outflow following market turmoil in March 2023
- ~2/3 of deposits in NOK
- ~75% of personal customer deposits are placed in saving accounts
- Solid headroom to LCR/NSFR requirements

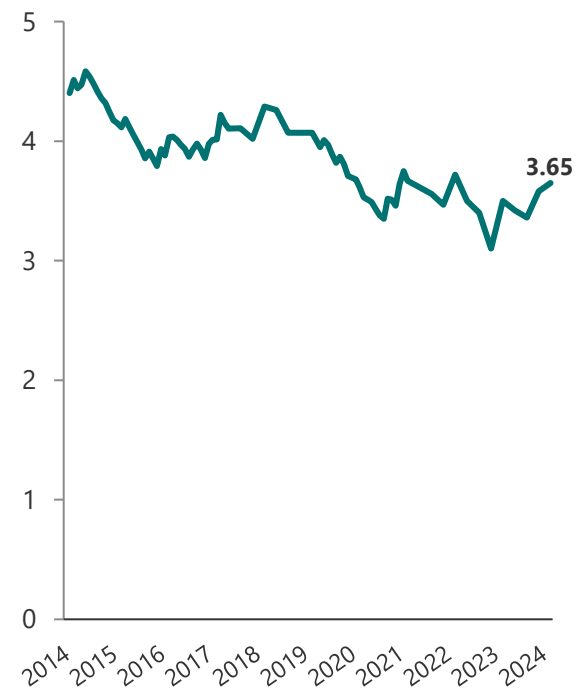
**Net Stable Funding Ratio and Liquidity Coverage Ratio**



**Ratio of Deposits to Net Loans**  
Per Cent



**Average Life of Long-Term Funding**  
Senior debt and covered bonds, years



# Issuance of Long-Term Debt and Outstanding Volumes

2024	<u>EURO bill</u>	<u>Tenor</u>
<b>Covered Bonds</b>	4.5	4.9
<b>Senior Bonds*</b>	0.4	5.0
<b>Senior Non-Preferred Bonds*</b>	0.0	0.0
<b>Sum</b>	<b>4.9</b>	<b>4.9</b>

<b>Tier 2</b>	0.0
<b>AT1</b>	0.9
<b>Total</b>	<b>5.8</b>

\*Maturity as per first call option

2023	<u>EURO bill</u>	<u>Tenor</u>
<b>Covered Bonds</b>	3.4	4.0
<b>Senior Bonds*</b>	1.0	5.0
<b>Senior Non-Preferred Bonds*</b>	3.1	3.9
<b>Sum</b>	<b>7.5</b>	<b>4.1</b>

<b>Tier 2</b>	1.0
<b>AT1</b>	0.5
<b>Total</b>	<b>9.0</b>

\*Maturity as per first call option

2022	<u>EURO bill</u>	<u>Tenor</u>
<b>Covered Bonds</b>	0.0	0.0
<b>Senior Bonds*</b>	5.8	3.4
<b>Senior Non-Preferred Bonds*</b>	2.0	3.9
<b>Sum</b>	<b>7.8</b>	<b>3.5</b>

<b>Tier 2</b>	1.1
<b>AT1</b>	0.5
<b>Total</b>	<b>9.3</b>

\*Maturity as per first call option

## Outstanding volumes<sup>1)</sup>

As of 31 March 2024

<b>Instrument</b>	<b>Volume (EUR bill)</b>
Covered Bonds	27.4
Senior Preferred	8.6
Senior Non-Preferred	9.1
Tier 2	2.4
AT1	2.0

1) Net amount for DNB Group

# A Well Established International Covered Bond Issuer

<b>Volume</b>	<b>Tenor</b>	<b>Maturity</b>
EUR 1 500 mn	7 years	2024 – Nov
<b>EUR 1 500 mn (Green)</b>	<b>7 years</b>	<b>2025 – Jun</b>
EUR 1 500 mn	7 years	2026 – Jan
EUR 1 500 mn	10 years	2026 – Sep
EUR 1 500 mn	7 years	2027 – Oct
EUR 1 000 mn	7 years	2028 – May
EUR 1 250 mn	5 years	2028 – Nov
EUR 1 250 mn	5 years	2029 – Mar
<b>EUR 1 500 mn (Green)</b>	<b>10 years</b>	<b>2031 – Jan</b>
EUR 1 000 mn	7 years	2031 – Jun

# DNB Senior Preferred Benchmark Bonds

Volume	Tenor	Call Date	Maturity
EUR 750 mn	4NC3	2025 – May	2026 – May
<b>EUR 1 250 mn (Green)</b>	<b>5NC4</b>	<b>2026 – Sep</b>	<b>2027 – Sep</b>
<b>EUR 1 000 mn (Green)</b>	<b>6NC5</b>	<b>2027 – Jan</b>	<b>2028 – Jan</b>
<b>EUR 1 000 mn (Green)</b>	<b>6NC5</b>	<b>2028 – Mar</b>	<b>2029 – Mar</b>
GBP 500 mn	4NC3	2024 – Dec	2025 – Dec
GBP 750 mn	4NC3	2025 – Jun	2026 – Jun
USD 1 250 mn	4NC3	2024 – Sep	2025 – Sep
SEK 1 200 mn	6NC5	2027 – Jan	2028 – Jan
<b>CHF 220 mn (Green)</b>	6NC5	2029 – May	2030 – May
<b>Exercised call options</b>			
<i>USD 650 mn</i>	<i>3NC2</i>	<i>2024 – Mar</i>	<i>2025 – Mar</i>
<i>USD 600 mn (FRN - SOFR)</i>	<i>3NC2</i>	<i>2024 – Mar</i>	<i>2025 – Mar</i>
<i>SEK 4 700 mn (FXD and FRN)</i>	<i>3NC2</i>	<i>2024 – Mar</i>	<i>2025 – Mar</i>

# DNB Senior Non-Preferred Benchmark Bonds

Volume	Tenor	Call Date	Maturity
USD 1 000 mn	6NC5	2025 – Sep	2026 – Sep
USD 900 mn	4NC3	2025 – Oct	2026 – Oct
USD 1 000 mn	6NC5	2026 – May	2027 – May
USD 750 mn	6.5NC5.5	2027 – Mar	2028 – Mar
<b>EUR 1 000 mn (Green)</b>	<b>4NC3</b>	<b>2026 – Feb</b>	<b>2027 – Feb</b>
<b>EUR 1 000 mn (Green)</b>	<b>5NC4</b>	<b>2027 – Jul</b>	<b>2028 – Jul</b>
EUR 1 000 mn	8NC7	2028 – Feb	2029 – Feb
<b>EUR 750 mn (Green)</b>	<b>6NC5</b>	<b>2028 – Nov</b>	<b>2029 – Nov</b>
GBP 750 mn	5NC4	2026 – Aug	2027 – Aug
JPY 10 000 mn	4NC3	2026 – Jan	2027 – Jan
JPY 28 000 mn	6NC5	2026 – Jun	2027 – Jun
JPY 6 000 mn	5NC4	2027 – Jun	2028 – Jun
JPY 9 700 mn	6NC5	2028 – Sep	2029 – Sep
NOK 2 100 mn (FRN + FXD)	8NC7	2028 – Jun	2029 – Jun
<b>SEK 3 000 mn (Green) (FRN + FXD)</b>	<b>4NC3</b>	<b>2025 – Sep</b>	<b>2026 – Sep</b>
<b>CHF 140 mn (Green)</b>	<b>5NC4</b>	<b>2027 – Jun</b>	<b>2028 – Jun</b>

# DNB Green Bond Framework

- Structured in line with the Green Bond Principles and ~64% aligned with the EU Taxonomy
- Can be used for issuing Green Senior Bonds and Green Covered Bonds
- Second Party Opinion and EU Taxonomy Assessment provided by Sustainalytics
- Impact Assessments from Multiconsult and Guidehouse

## Green Eligible Categories:

- Green Residential Buildings: Built <2021: Top 15% low carbon buildings  
Built ≥ 2021: NZEB -10%
- Renewable Energy: Wind Power, Solar Power, Hydropower and Electricity transmission & storage systems
- Clean Transportation: Zero Carbon Vehicles, Zero Carbon Transportation Infrastructure

- Green Portfolio as per 31 December 2023: EUR ~17.4 billion
- Green Bonds as per 15 May 2024: EUR ~10.9 billion
- Green Bond Framework and additional documentation available at <https://www.ir.dnb.no/funding-and-rating/green-bonds>



# DNB Green Bonds

Type	Volume	Tenor	Call date	Maturity	
Covered	EUR 1 500 mn	7 years		2025 – Jun	
Covered	SEK 7 150 mn	3 years		2027 - Jan	FXD and FRN
Covered	SEK 5 750 mn	5 years		2029 - Jan	
Covered	EUR 1 500 mn	10 years		2031 – Jan	
Senior Preferred	EUR 1 250 mn	5NC4	2026 – Sep	2027 – Sep	
Senior Preferred	EUR 1 000 mn	6NC5	2027 – Jan	2028 – Jan	
Senior Preferred	SEK 1 200 mn	6NC5	2027 – Jan	2028 – Jan	
Senior Preferred	EUR 1 000 mn	6NC5	2028 – Mar	2029 – Mar	
Senior Preferred	CHF 220 mn	6NC5	2029 – May	2030 – May	
Senior Non-Preferred	SEK 3 000 mn	4NC3	2025 – Sep	2026 – Sep	FXD and FRN
Senior Non-Preferred	EUR 1 000 mn	4NC3	2026 – Feb	2027 – Feb	
Senior Non-Preferred	CHF 140 mn	5NC4	2027 - Jun	2028 - Jun	
Senior Non-Preferred	EUR 1 000 mn	5NC4	2027 – Jul	2028 – Jul	
Senior Non-Preferred	EUR 750 mn	6NC5	2028 – Nov	2029 – Nov	

# DNB is among the best rated banks globally

## Moody's Investors Service

### DNB Bank ASA<sup>1)</sup>

- Counterparty Risk / Deposit Rating (LT): Aa1
  - *Outlook: Stable*
- Senior Preferred Rating: Aa2
  - *Outlook: Positive*
- Senior Non-Preferred: A2
- Tier 2: A3
- Additional Tier 1: Baa2
- Short-term Rating: P-1

### DNB Boligkreditt AS' Cover pool

- Long term: Aaa

## S&P Global Ratings

### DNB Bank ASA<sup>2)</sup>

- Resolution Counterparty Rating (LT): AA-
  - *Outlook: Stable*
- Senior Preferred Rating: AA-
  - *Outlook: Stable*
- Senior Non-Preferred: A
- Tier 2: A-
- Additional Tier 1: BBB
- Short-term Rating: A-1+

### DNB Boligkreditt AS' Cover pool

- Long term: AAA
  - *Outlook: Stable*

1) Latest rating action: 27 September 2023

2) Latest rating action: 22 January 2019

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## Online Resources:

[Funding and Rating](#)

[DNB Group Factbook Q1 2024](#)

[Pillar 3 Report 2023](#)

# Appendix

## Appendix A: Green Bond Framework

# Summary

DNB's Green Finance Framework –  
Issuance of green covered and senior bonds

Proceeds will be used to finance green residential buildings, renewable energy and clean transportation

Structured in line with the ICMA Green Bond Principles and partially aligned with the EU Taxonomy

Second Party Opinion (including EU Taxonomy assessment) from Sustainalytics

Impact Reports from Multiconsult and Guidehouse



# Use of Proceeds - overview

## DNB Boligkreditt AS

### Green Residential Buildings



New or existing residential buildings in Norway:

- i. **Built <2021:** within the **top 15% low carbon buildings**
- ii. **Built ≥2021:** NZEB-10%

## DNB Bank ASA

### Green Residential Buildings



New or existing residential buildings in Norway:

- i. **Built <2021:** within the **top 15% low carbon buildings**
- ii. **Built ≥2021:** NZEB-10%

### Renewable Energy



- **Solar** power projects
- **Wind** power projects (onshore/offshore)
- **Hydro** power projects
- **Transmission and storage systems**

### Clean Transportation



- **Zero Carbon Vehicles**
- Zero Carbon Transportation Infrastructure

# Green Residential Buildings

~NOK 115 bn eligible green assets

- Identification of the most energy efficient (low carbon) buildings:
  - Residential buildings completed in the period from 2012 to 2020 (complying with TEK10 & TEK17 building codes)<sup>1)</sup>
  - Residential buildings completed in 2021 or later complying with the NZEB -10% threshold<sup>2)</sup>
- Assessment by Sustainalytics concludes that the portfolio of green residential buildings is aligned with the relevant EU Taxonomy criteria.

*The Eligible Portfolio has an estimated average energy consumption of less than 50% of the average Norwegian consumption*

1) Within the top 15% "best in class"-approach, demonstrated by way of proxies based on statistical analysis carried out by Multiconsult.

2) In accordance with the EU Taxonomy Climate Delegated Act, buildings built from 1 January 2021 onwards should meet the 'NZEB -10%' criterion. Compliant buildings are assessed against the respective NZEB threshold published by the Norwegian Ministry, expressed as specific energy demand in kWh/m<sup>2</sup>. At the time of writing all Norwegian buildings with EPC labels of A and some EPC B labels are compliant. The full methodology and selection approach used for NZEB-10% compliant buildings will be published in a technical report from a specialised external consultant.

# Renewable Energy

~NOK 36 bn eligible green assets

- Solar power ~NOK 16 bn
  - Photovoltaic and concentrated solar power energy projects

- Wind power ~NOK 10 bn
  - Onshore and offshore wind energy projects

- Hydro power ~NOK 7 bn
  - One of the following requirements are met:
    - the facility is a run of river plant and does not have an artificial reservoir
    - the power density of the electricity generation facility is above 5W/m<sup>2</sup>
    - the lifecycle emissions from the generation of the electricity from hydropower are lower than 100g CO<sub>2</sub>e/kWh

- Electricity transmission, distribution, storage systems and mixed portfolio<sup>1)</sup> ~NOK 3 bn
  - Transmissions systems (or other infrastructure) to facilitate the integration of electricity from renewable energy sources into the grid
  - Construction and operation of facilities that store electricity and return it at a later time in the form of electricity (including pumped hydropower storage)

<sup>1)</sup> Includes Solar, Wind, Hydro and Battery

# Clean Transportation

~NOK 44 bn eligible green assets

- Zero carbon vehicles
  - Fully electric, hydrogen or otherwise zero direct (tailpipe) emissions vehicles for the transportation of passengers or freight
- Zero carbon transportation infrastructure
  - Infrastructure related to zero direct (tailpipe) emissions vehicles including, but not limited to, EV charging stations and hydrogen fueling stations
- Fulfil EU Taxonomy Substantial Contribution- and minimum social safeguards criteria
  - All vehicles must have zero direct (tailpipe) CO2 emissions
  - Infrastructures include EVs charging stations
  - The infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions that do not transport or storage fossil fuels

# Second Party Opinion



- *“Sustainalytics is confident that DNB is well positioned to issue green bonds and loans and that the **DNB Bank ASA Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023**”*
- *“Sustainalytics believes that the Green Finance Framework is aligned with the overall sustainability ambitions of the Bank and that the **Green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9 and 11**”*
- *“Sustainalytics is of the opinion that the criteria defined in the Framework’s three use of proceeds categories **are aligned with the applicable Technical Screening Criteria (“TSC”) and 23 of the Do No Significant Harm (“DNSH”) criteria**. 12 DNSH were assessed as partially aligned. Sustainalytics is also of the opinion that the activities and projects to be financed under **the Framework will be carried out in alignment with the EU Taxonomy’s Minimum Safeguards.**”*



Alignment with  
 The Green Bond Principles



# EU Taxonomy Assessment

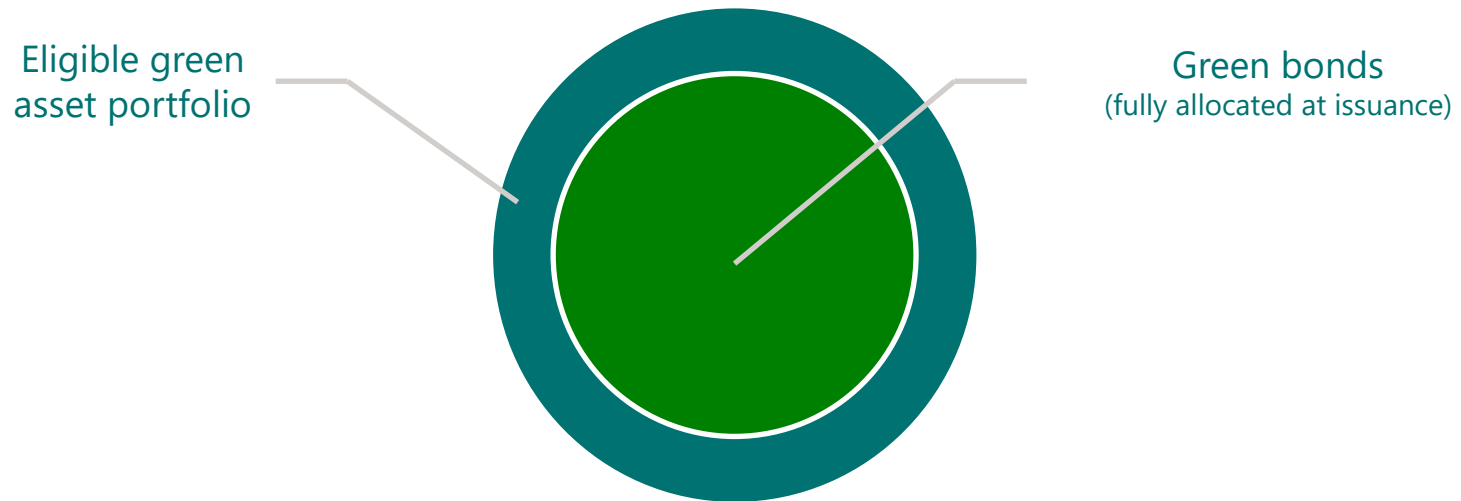
Performed by  SUSTAINALYTICS

<b>Alignment %</b>	<b>~64% aligned (NOK ~125bn / NOK ~195bn total portfolio)</b>
--------------------	---

Eligible Green Asset Category	Green Residential Buildings	Renewable Energy (Wind, Solar & Hydropower)		Clean Transportation
<b>Geography</b>	Norway	EEA + UK 27% of Renewables	Rest of World 73% of Renewables	Norway, Sweden, Denmark, Finland
<b>Technical Screening Criteria</b>	<b>Aligned</b>	<b>Aligned</b>		<b>Aligned</b>
<b>Do No Significant Harm</b>	<b>Aligned</b>	<b>Partially Aligned<sup>1)</sup></b>		<b>Partially Aligned<sup>2)</sup></b>
<b>Minimum Social Safeguards</b>	<b>Aligned</b>	<b>Aligned</b>		<b>Aligned</b>

- 1) For assets outside the European Economic Area (EEA) + UK region, DNB is not able to provide specific documentation to substantiate full alignment with all the respective applicable DNSH criteria, which often relate to specific EU Directives. This is largely due to the misalignment with national regulations and the Equator Principles requirements with specific EU Directives & EU Taxonomy requirements. **DNB requires all project finance to be in compliance with the Equator Principles**, where an Environmental and Social Impact Assessment (ESIA) is an integral part. **In addition, ESG factors are built into DNB's risk assessment process.** Sustainalytics has therefore concluded 'partial alignment' on DNSH for Renewables outside the EEA and the UK.
- 2) Electric Vehicles are assessed as not being able to meet the Pollution Prevention & Control DNSH criteria relating to tyres, given that currently almost all new electric car models are (factory) fitted with non-compliant tyres, or exact tyre information is not available.

# Management of Proceeds



- The proceeds of the green finance instruments issued will be managed in a **portfolio approach**
- DNB will strive, over time, to achieve a **level of allocation for the Eligible Green Loan Portfolio which matches or exceeds the balance of net proceeds from its outstanding green finance instruments**
- **Eligible Green Loans will be added to or removed** from DNB's Eligible Green Loan Portfolio to the extent required
- **Unallocated net proceeds** from Green Finance Instruments will be held in DNB's treasury liquidity portfolio, in cash or other short term liquid instruments, at DNB's own discretion

# Allocation

Portfolio date: 31 December 2023

## Green Loan Portfolio:

Green Buildings	NOK ~115 bn
Renewable Energy <sup>1)</sup>	NOK ~36 bn
Clean Transportation	NOK ~44 bn

**Total eligible green loan portfolio** NOK ~195 bn

**Total outstanding Green Bonds** NOK ~123 bn

**Percentage of Eligible Green Loan Portfolio allocated (usage)** ~63%

1) Of which ~NOK 28 bn operational facilities and NOK ~8 bn facilities under construction

# Impact – Avoided CO2 emissions

Portfolio date: 31 December 2023

Eligible Project Category	Eligible portfolio (approx. NOK m)	Total annual avoided emissions in tons of CO2 /year
Green Buildings	115 007	11 419 <sup>1)</sup>
Renewable Energy	36 145	2 069 868 <sup>2)</sup>
Clean Transportation	43 681	95 310 <sup>1)</sup>
<b>Total</b>	<b>194 883</b>	<b>2 176 597</b>

<u>Green Senior Bonds<sup>3)</sup></u> Total annual avoided emissions per NOKm invested	<b>14.37 tCO2e/year</b>
<u>Green Covered Bonds<sup>3)</sup></u> Total annual avoided emissions per NOKm invested	<b>0.12 tCO2e/year</b>

- 1) Calculated based on Norwegian and Swedish (for Clean Transportation) physically delivered electricity in 2022 as provided by NVE (emissions factor of 19g CO2/KWh) and Swedish Energy Agency (emissions factor of 26g CO2/KWh), respectively. See DNB's 2023 Impact Report for more details ([Green Finance Framework | DNB](#))
- 2) Figure relates only to attributed avoided emissions for operational facilities, where attributed avoided emissions impact for under construction facilities is estimated to be 1,163,125 tonnes CO2/year once such projects become functional. As of 31/12/2023, the portfolio included NOK 28,279m operational facilities (3,082MW attributed installed capacity) and NOK 7,866m facilities under construction (1,163MW attributed installed capacity)
- 3) Based on loan portfolio per 31 December 2023

# Reporting – Allocation

Eligible Green Loan Portfolio (portfolio date 31 December 2023)		Outstanding Green Bonds per asset class (as of May 2024) <sup>1)</sup>	
	Amount (approx. NOKm)	Instrument	Amount (approx. NOKm)
Green Buildings DNB Boligkreditt	92 042	Covered Bonds	46 639
Green Buildings DNB Bank ASA	22 965	Senior Preferred	40 312
Renewable Energy	36 145	Senior Non-Preferred	35 552
Clean Transportation	43 681		
<b>Total</b>	<b>194 883</b>	<b>Total</b>	<b>122 504</b>
Percentage of Eligible Green Loan Portfolio allocated (usage)			<b>62.9%</b>
Percentage of Eligible Green Loan Portfolio allocated for Green Covered Bonds <sup>2)</sup>			<b>50.7%</b>
Percentage of Eligible Green Loan Portfolio allocated for Green Senior Bonds <sup>2)</sup>			<b>51.2%</b>
New loans added to the portfolio since January 2022 (approx. NOKm eq.)			<b>110 895</b>
New loans added to the portfolio since January 2023 (approx. NOKm eq.)			<b>56 457</b>
			<b>% Aligned</b>
EU Taxonomy Climate Delegated Act Alignment <sup>3)</sup>			<b>64%</b>

1) See slide below and [Funding programmes | DNB](#) for further details on DNB's outstanding green bonds.

2) Green Covered Bonds are allocated solely to green residential buildings situated within DNB Boligkreditt and Green Senior Bonds are allocated to all Use of Proceeds categories (minus any green residential buildings already allocated to green covered bonds). DNB ensures on a best effort basis that Green Covered Bonds will be allocated to assets within the covered bond cover pool. For Green Senior Bonds, DNB may allocate towards Eligible Green Loans situated within DNB Boligkreditt, as per the [guidance laid out in the Green Bond Principles 2021 regarding pledged assets](#).

3) Based on [assessment and analysis by Sustainalytics within the SPO](#)

# Reporting – Impact

Portfolio date: 31 December 2023

Eligible Project Category	Eligible portfolio (NOK m)	Eligible Green Covered Portfolio (NOK m)	Eligible Green Senior Portfolio (NOK m)	Share of Total Green Covered Bond Financing <sup>1</sup>	Share of Total Green Senior Bond Financing <sup>1</sup>	Eligibility for Green Covered Bonds	Eligibility for Green Senior Bonds	Estimated reduced energy (in GWh/year)	Direct emissions avoided vs baseline in tons of CO <sub>2</sub> /year (Scope 1)	Indirect emissions avoided vs baseline in tons of CO <sub>2</sub> /year (Scope 2)	Total installed capacity of renewable energy (in MW)	Total annual avoided emissions in tons of CO <sub>2</sub> /year
Green Buildings	115 007	92 042	71 290	100%	47.2%	100%	47.2%	613	N/A	N/A	N/A	11 419
Renewable Energy	36 145	-	36 145	0%	23.9%	0%	100%	N/A	N/A	N/A	4 291	2 069 868
Clean Transportation	43 681	-	43 681	0%	28.9%	0%	100%	N/A	100 370	-5 060	N/A	95 310
<b>Total</b>	<b>194 883</b>	<b>92 042</b>	<b>151 116</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>N/A</b>	<b>613</b>	<b>100 370</b>	<b>-5 060</b>	<b>4 291</b>	<b>2 176 597</b>

See DNB's 2023 Impact Report for more details ([Green Finance Framework | DNB](#))

Total annual avoided emissions per NOKm invested in Green Covered Bonds <sup>2)</sup>	<b>0.12 tCO<sub>2</sub>e/year</b>
Total annual avoided emissions per NOKm invested in Green Senior Bonds <sup>2)</sup>	<b>14.37 tCO<sub>2</sub>e/year</b>

1) Green Covered Bonds are allocated solely to green residential buildings situated within DNB Boligkreditt and Green Senior Bonds are allocated to all Use of Proceeds categories (minus any green residential buildings already allocated to green covered bonds). DNB ensures on a best effort basis that Green Covered Bonds will be allocated to assets within the covered bond cover pool. For Green Senior Bonds, DNB may allocate towards Eligible Green Loans situated within DNB Boligkreditt, as per the guidance laid out in the Green Bond Principles 2021 regarding pledged assets (<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/The-GBP-Guidance-Handbook-June-2021-140621.pdf>).

2) Based on loan portfolio per YE 2023

# Appendix B: Cover Pool Portfolio Information, LCR and ECB eligibility

# DNB's Covered Bond Programme

- DNB's Covered Bond Programme is now a **European Covered Bond (Premium) Programme** in accordance with the Covered Bond Directive
- DNB has implemented the common **Harmonised Transparency Template** of the European Covered Bond Council which is available on the DNB website and meets the requirements set out in Article 14 (2) of Directive (EU) 2019/2162 (the "**Covered Bond Directive**").
  - *Portfolio information is updated when DNB's quarterly results are released*



- Information about the cover pool of DNB Boligkreditt may be accessed via DNB's web page: <https://www.ir.dnb.no/funding-and-rating/cover-pool-data>

Contacts DNB Boligkreditt AS:

Hans Olav Rønningen, CEO: [hansolav.ronningen@dnb.no](mailto:hansolav.ronningen@dnb.no) +47 95 72 95 63

# DNB Boligkreditt Covered Bonds – Cover Pool Data



## Cover Pool Data

<b>Rating (Moody's/S&amp;P)</b>	<b>Aaa/AAA</b>
Cover Pool Size (NOK million)	659,471
Outstanding Covered Bonds, NOK million	400,333
No. of Mortgages in the Cover Pool	335,974
Average Loan Balance (NOK thousands)	1,963
Regulatory Overcollateralisation Requirement	5.0%
<b>Overcollateralisation</b>	<b>64.7%</b>
<b>Weighted Average LTV (Indexed)</b>	<b>52.6%</b>

*Pool statistics as of 31 March 2024. Cover pool reporting coincides with DNB's quarterly financial reporting.*

## Stresstest

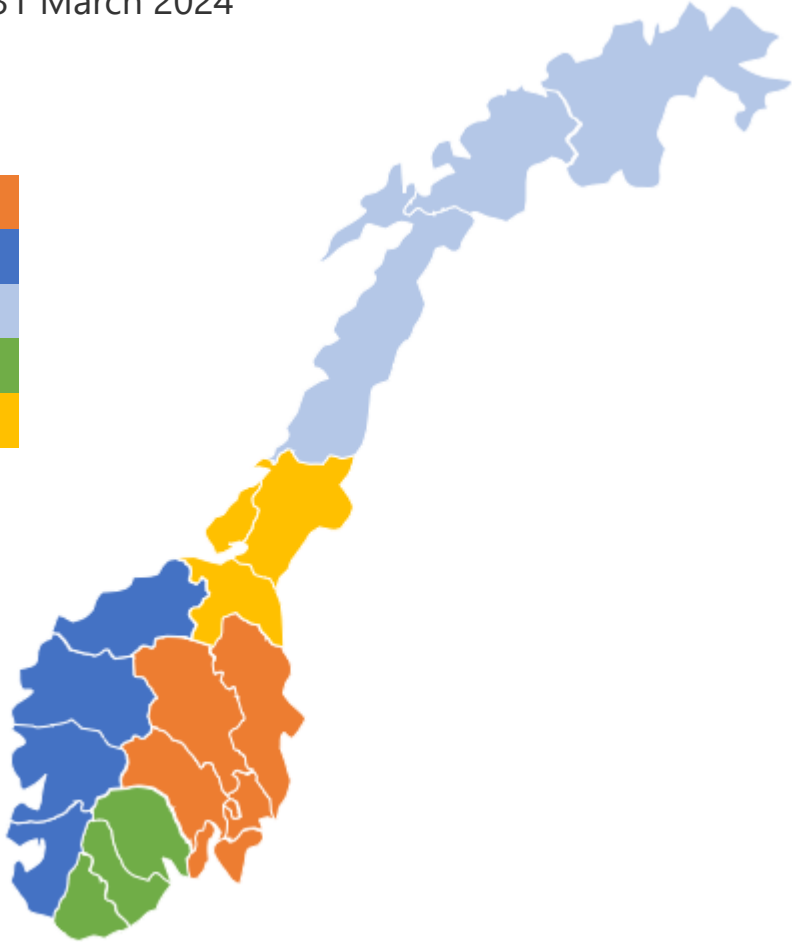
### Cover Pool Sensitivity Analysis

House Price Decline	Current	10%	20%	30%
WA Indexed LTV	52.6 %	58.3 %	65.6 %	74.9 %
Eligible OC	64.0 %	60.6 %	55.5 %	46.9 %

# Well diversified residential mortgage book within Norway

DNB Boligkreditt cover pool as of 31 March 2024

Eastern Norway:	69%
Western Norway:	14%
Northern Norway:	9%
Southern Norway:	3%
Mid-Norway:	5%



# Portfolio Characteristics

**Report date:** 31/03/2024  
**Report currency:** NOK

Key Characteristics	
Total cover pool, nominal balance* (mill.)	659,471
Number of mortgages	335,974
Number of borrowers	294,477
Average loan balance (thousands)	1,963
Outstanding covered bonds, nominal balance (mill.)	400,333
Substitute assets (% of total cover pool)	0
WA indexed LTV (%)	52.6
WAL of cover pool (contractual maturity in years)	14.5
WAL of outstanding covered bonds (extended maturity in years)	3.7

\* All cover pool assets are denominated in NOK.

Maturity Structure Cover Pool		
Contractual maturity (years)	Loan balance (mill.)	%
≥ 0 ≤ 1	16,459	2.5 %
1 ≤ 2	18,240	2.8 %
2 ≤ 3	19,882	3.0 %
3 ≤ 5	44,525	6.8 %
5 ≤ 10	101,232	15.4 %
> 10	459,133	69.6 %
<b>Total</b>	<b>659,471</b>	<b>100.0 %</b>

Overcollateralisation	
Cover pool size:	
Residential mortgages, loan balance (mill.)	659,471
Covered bonds outstanding (mill.)	400,333
<b>Overcollateralisation</b>	<b>64.7 %</b>

Maturity Structure Covered Bonds		
Extended maturity (years)	Loan balance (mill.)	%
≥ 0 ≤ 1	6,977	1.7 %
1 ≤ 2	44,441	11.1 %
2 ≤ 3	143,220	35.8 %
3 ≤ 5	102,028	25.5 %
5 ≤ 10	73,243	18.3 %
> 10	30,424	7.6 %
<b>Total</b>	<b>400,333</b>	<b>100.0 %</b>

Expected maturity (years)		
Expected maturity (years)	Loan balance (mill.)	%
≥ 0 ≤ 1	36,014	9.0 %
1 ≤ 2	156,349	39.1 %
2 ≤ 3	56,765	14.2 %
3 ≤ 5	93,229	23.3 %
5 ≤ 10	29,121	7.3 %
> 10	28,855	7.2 %
<b>Total</b>	<b>400,333</b>	<b>100.0 %</b>

# Portfolio Characteristics cont.

Loan Size		
Private individuals	Loan balance (mill.)	Number of loans
≤ 1,000,000	54,374	117,399
> 1,000,000 ≤ 2,000,000	134,112	89,516
> 2,000,000 ≤ 3,000,000	152,518	61,965
> 3,000,000 ≤ 4,000,000	110,143	31,951
> 4,000,000 ≤ 5,000,000	69,043	15,507
> 5,000,000	120,074	17,427
<b>Total</b>	<b>640,263</b>	<b>333,765</b>

Housing Cooperatives		
	Loan balance (mill.)	Number of loans
≤ 5,000,000	2,343	1,349
> 5,000,000 ≤ 10,000,000	2,660	370
> 10,000,000 ≤ 20,000,000	3,483	253
> 20,000,000 ≤ 50,000,000	5,724	185
> 50,000,000 ≤ 100,000,000	2,331	35
> 100,000,000	2,667	17
<b>Total</b>	<b>19,207</b>	<b>2,209</b>

LTV buckets		
Indexed LTV	Loan balance (mill.)	%
≥ 0 ≤ 40	148,624	22.5 %
40 ≤ 50	107,432	16.3 %
50 ≤ 60	161,097	24.4 %
60 ≤ 70	126,836	19.2 %
70 ≤ 80	108,376	16.4 %
80 ≤ 90	5,168	0.8 %
90 ≤ 100	912	0.1 %
> 100	1,024	0.2 %
<b>Total</b>	<b>659,471</b>	<b>100.0 %</b>

Concentration Risk	
	%
10 largest exposures	0.3 %
10 largest exposures excl. housing cooperatives	0.1 %

Property Types		
	Loan balance (mill.)	%
Residential	659,471	100.0 %
Commercial	0	0.0 %
Other	0	0.0 %
<b>Total</b>	<b>659,471</b>	<b>100.0 %</b>
<i>o/w Housing Cooperatives / Multi-family</i>	<i>19,207</i>	<i>2.9 %</i>
<i>o/w Forest &amp; Agriculture</i>	<i>0</i>	<i>0.0 %</i>

Occupancy Type	
	%
Owner occupied	69.0%
Second homes / Holiday houses	0.1%
Buy to let / Non owner occupied houses	0.1%
Other	30.8%
<b>Total</b>	<b>100.0%</b>

Repayment Type	
	%
Amortization	76.4 %
Interest only*	23.6 %
<b>Total</b>	<b>100.0 %</b>

\*No principal payments for a limited period of time.

# Portfolio Characteristics cont.

Seasoning	
	%
Up to 12months	14.5 %
≥ 12 - ≤ 24 months	12.9 %
≥ 24 - ≤ 36 months	12.4 %
≥ 36 - ≤ 60 months	19.2 %
≥ 60 months	41.0 %
<b>Total</b>	<b>100.0 %</b>

\* Seasoning indicates the number of months since collateral for the loan was established.

Interest Rate Type	
Fixed Rate	4.9 %
Floating Rate	95.1 %

Geographical Distribution		
	Loan balance (mill.)	%
ØSTFOLD	38,390	5.8 %
AKERSHUS	135,135	20.5 %
OSLO	162,444	24.6 %
INNLANDET	27,408	4.2 %
BUSKERUD	34,019	5.2 %
VESTFOLD	44,176	6.7 %
TELEMARK	11,181	1.7 %
AGDER	17,791	2.7 %
ROGALAND	36,254	5.5 %
VESTLAND	49,280	7.5 %
MØRE OG ROMSDAL	9,799	1.5 %
TRØNDELAG	35,796	5.4 %
NORDLAND	28,003	4.2 %
TROMS	21,219	3.2 %
FINMARK	8,566	1.3 %
SVALBARD	9	0.0 %
<b>Total</b>	<b>659,471</b>	<b>100%</b>

Non Performing	
Non performing loans	0.12%

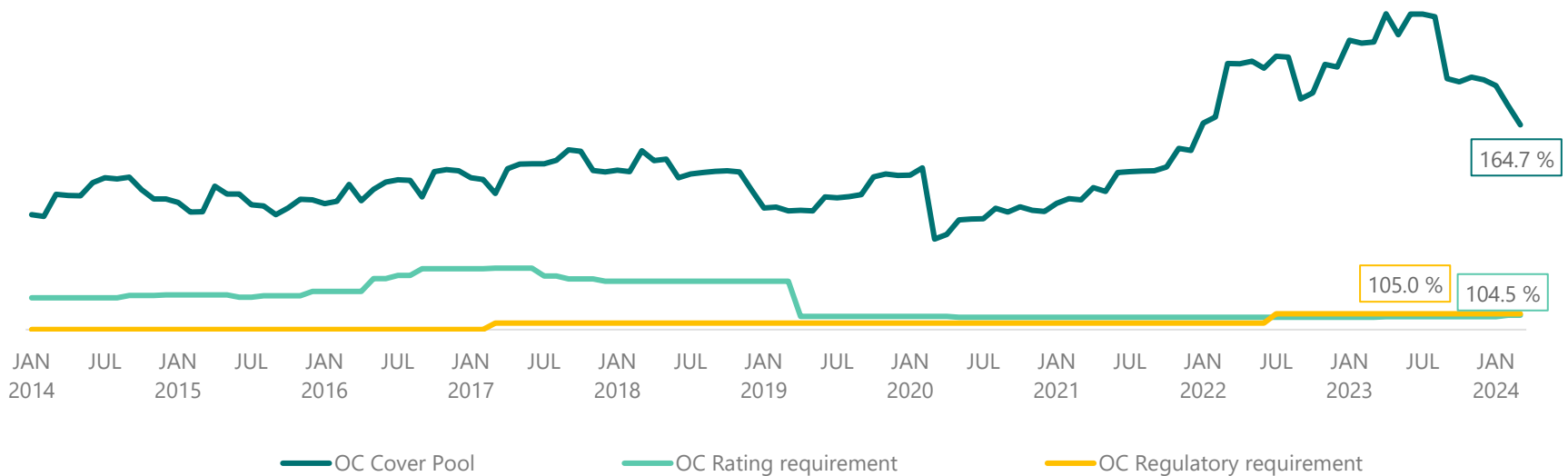
Arrears	
≥ 30 - < 60 days	0.18%
≥ 60 - < 90 days	0.04%
≥ 90 - < 180 days	0.04%
≥ 180 days	0.07%

Eastern Norway:	69%
Western Norway:	14%
Northern Norway:	9%
Southern Norway:	3%
Mid-Norway:	5%

# Cover Pool Sensitivity Analysis and Overcollateralisation History

Stresstest - House price decline				
House price decline	Current	10%	20%	30%
Total cover pool balance (nominal, NOK mill.)	659,471	659,471	659,471	659,471
WA indexed LTV (%)	52.6	58.3	65.6	74.9
Eligible cover pool balance (nominal, NOK mill.)	656,665	643,085	622,327	587,980
Total outstanding covered bonds (nominal, NOK mill.)	400,333	400,333	400,333	400,333
Eligible overcollateralization	64.0 %	60.6 %	55.5 %	46.9 %

## Cover Pool Overcollateralisation History



# Covered Bonds Issued by DNB Boligkreditt AS Qualify for Level 1-Assets Pursuant to LCR Regulation (Slide 1 of 2)

Covered bonds issued by DNB Boligkreditt AS fulfil the requirements to qualify as Level 1-assets pursuant to Commission Delegated Regulation (EU) 2015/61 regarding liquidity coverage requirement for credit institutions (“LCR Regulation”).



With reference to Article 10(1)(f) of the LCR Regulation, DNB Boligkreditt AS confirms:

- Covered Bonds issued by DNB Boligkreditt AS are covered bonds as referred to in Article 3(1) of Covered Bond or are issued before 8 July 2022, and meet the requirements set out in Article 52(4) of Directive 2009/65/EC (cf. the European Commission’s website: [http://ec.europa.eu/finance/investment/legal\\_texts/index\\_en.htm](http://ec.europa.eu/finance/investment/legal_texts/index_en.htm)).
- The exposures to institutions in the cover pool meet the conditions laid down in Article 129(1)(c) and in Article 129(1a) of Regulation (EU) No 575/2013 (the “**CRR**”).



# Covered Bonds Issued by DNB Boligkreditt AS Qualifies as Level 1-Assets Pursuant to LCR-regulation (Slide 2 of 2)

With reference to Article 10(1)(f) of the LCR-regulation, DNB Boligkreditt AS confirms the following (cont.):

- Covered bonds issued by DNB Boligkreditt AS are assigned a credit assessment by a nominated ECAI which is at least credit quality step 1 in accordance with Article 129(4) of CRR, and the equivalent credit quality step in the event of short-term credit assessment 
- The cover pool does at all times meet an asset coverage requirement of at least 2% in excess of the amount required to meet the claims attaching to the covered bonds issued by DNB Boligkreditt AS 

# ECB Eligibility and CRR Compliance of Covered Bonds Issued by DNB Boligkreditt AS

- All covered bonds issued by DNB Boligkreditt AS are premium covered bonds and fulfil the eligibility criteria for marketable assets set by the Eurosystem and are thus eligible for Eurosystem monetary policy operations.
- DNB Boligkreditt AS confirms that the covered bonds it issues meet the requirements set out in CRR Articles 129(3), 129(3a) and 129(3b) and are collateralised by assets listed in Article 129(1) of the CRR – therefore, a 10% risk weight applies to the instrument

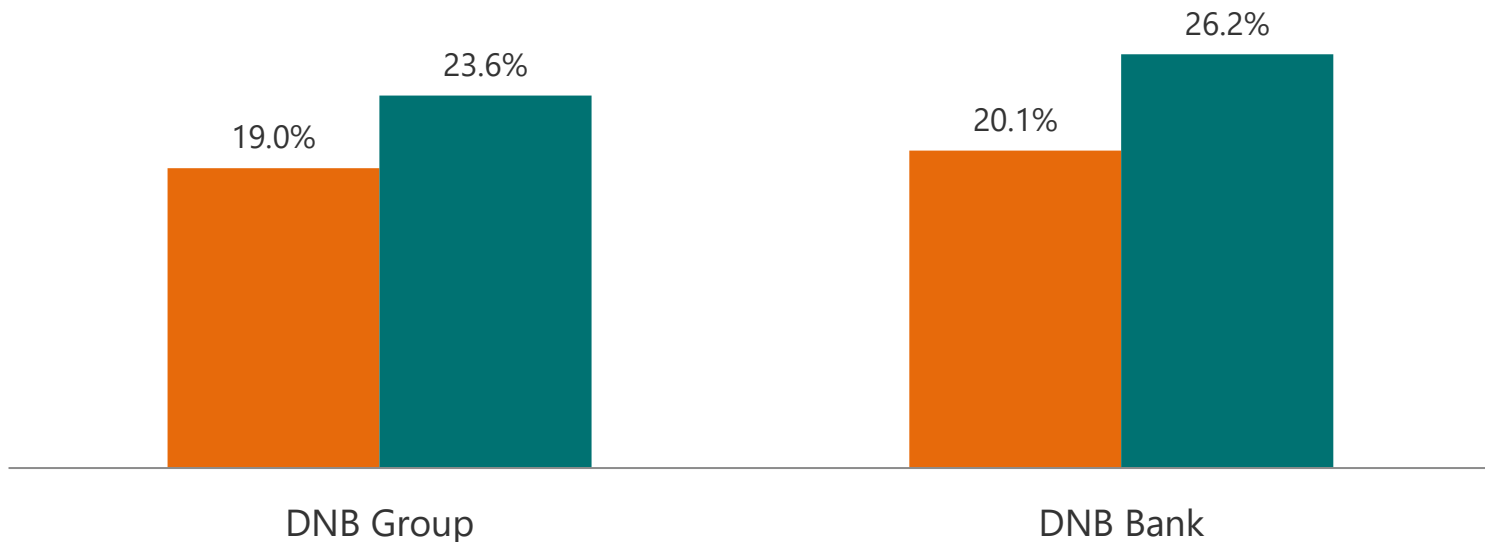
# Appendix

## Appendix C: Capital and Tier 1

# DNB – Capital Ratios

- DNB has to meet all capital requirements on DNB Bank Group level (“DNB Group”) and DNB Bank ASA solo level (“DNB Bank”)
- DNB’s total capital consists of CET1 capital, AT1 capital and Tier 2 capital. As per the 2023 SREP, DNB Group’s total capital requirement was ~21.2% per 31 March 2024

**CET1 and Total Capital Ratios as per 31 March 2024**



# Further details on DNB's Capital Requirements

## Counter-Cyclical Buffer (CCyB)

- CCyB in Norway increased to 2% with effect from 31 December 2022 and increased further to 2.5% with effect from 31 March 2023.
- Taking into account countercyclical buffers in other countries, **DNB's effective CCyB was ~2.2% as per 31 March 2024.**

## Systemic Risk Buffer

- The systemic risk buffer increased from 3.0% to 4.5% for Norwegian exposures from 31 December 2020. Taking into account systemic risk buffers in other countries, **DNB's effective systemic risk buffer was ~3.2% as per 31 March 2024.**

# ADI – Available Distributable Items

- Items available for distribution is defined in the Norwegian Public Limited Liability Companies Act<sup>1)</sup>:

Following this definition, the ADI level is calculated as follows:

ADI = total equity – share capital – fund for unrealised gains

- From 1 January 2019, DNB decided also to deduct additional tier 1 capital from the ADI

*DNB Bank ASA (31 December 2023):*

*ADI = NOK ~227bn – ~19bn – ~2bn – ~22bn (AT1) = NOK ~184bn*

⇒ Due to the significant amount available for distribution, we do not consider the ADI as a potential restriction for coupon payments.

1) The Norwegian CRD IV Regulation does not include any definition of ADI

# Regulatory Framework - EU law in Norway and future changes

## Implementation of EU Directives/Regulations in Norwegian Law:

- EU Directives and Regulations do not have direct effect in Norway
- First step: Implementation of relevant rules in the EEC agreement
- Second step: Implementation into Norwegian law
- Time lag might vary from months to years
- The Norwegian law amendments related to the banking package (CRDV/CRR2/BRRD2) entered into force 1 June 2022.

2025+

## Basel 4/CRD6/CRR3

- New Standard methods
- New output floor for IRB models
- New considerations: Climate Risk (CRDV)

# Appendix

## Appendix D: Other information

# DNB is monetising on a strong digital platform

## Leading position on digital customer channels in the Norwegian market

### Mobile bank



- **~30% of Norwegians uses personal customer app**
  - 65% of transactions via mobile devices
  - Best customer (iOS) ranking among peers (4.7)
- **63% growth in users for DNB's digital solution for SMEs**

### Savings app



- **No. 1 savings platform** in Norway, used by ~8% of Norwegians between 18 and 67
- **65% of all funds purchases** through the app (Jan. 2024)

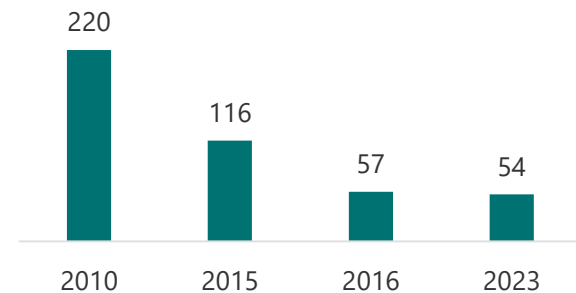
### Mobile Wallet Vipps



- **Merged with MobilePay in 2022**
  - Combined users: 12 mill consumers and 400k shops and e-commerce
  - 33.8% owned by DNB post merger

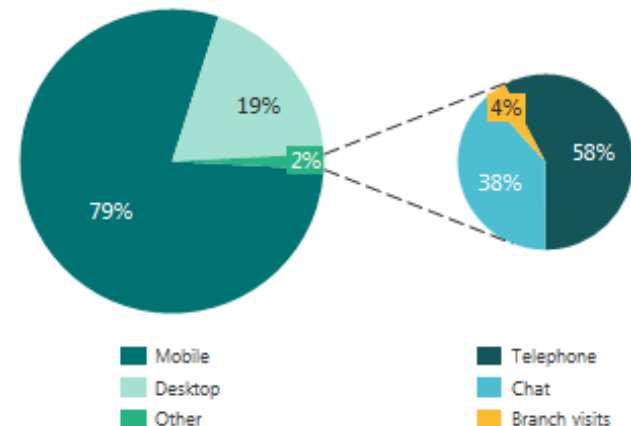
## Transforming our branch network

Number of branch offices



## Less than 1% of customer interactions being physical

Personal customer interactions by channel, per cent



# Administrative fine from the Norwegian FSA (Finanstilsynet) following supervisory inspection

## - DNB has not been complicit in money laundering

- **On 3 May 2021, the NFSA imposed an administrative fine on DNB of NOK 400 million, due to inadequate compliance with the Norwegian Anti-Money Laundering Act.**
- DNB has not been under suspicion of money laundering or complicity in money laundering. The NFSA is critical of DNB's compliance with the AML regulations. Meeting the authorities' expectations in the area of anti-money laundering to help combat financial crime is an important part of DNB's corporate responsibility. **DNB acknowledged that the anti-money laundering efforts had not given sufficient results at the time of the inspection, and therefore accepted the NFSA's fine.**
- As part of its follow-up after the inspection, the NFSA ordered on 19 April 2022 the bank to collect and store legal identification for remaining customers by 1 August 2022. On 1 September 2022, the NFSA imposed compulsory fines on the bank of NOK 50,000 per day for failing to comply with the NFSA's order. A coercive fine is not considered a penalty, but a forward-looking measure to incentivise an increased effort to comply with a decision. **On 29 June 2023 the NFSA stated that it was satisfied with DNB's customer identity verification status, and the compulsory fines of NOK 50,000 per day ceased effective from 24 April 2023.**
- In the past few years, DNB has implemented several measures to strengthen its anti-money laundering efforts. Organisation, risk assessment, risk classification and electronic monitoring are areas that have been significantly strengthened. The Board and Group Management regularly follow up this important work.

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