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CREDIT OPINION

3 October 2023

Update



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RATINGS

DNB Bank ASA

Domicile	Oslo, Norway
Long Term CRR	Aa1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Aa2
Type	Senior Unsecured - Fgn Curr
Outlook	Positive
Long Term Deposit	Aa1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CLIENT SERVICES

DNB Bank ASA

Update to credit analysis following action

Summary

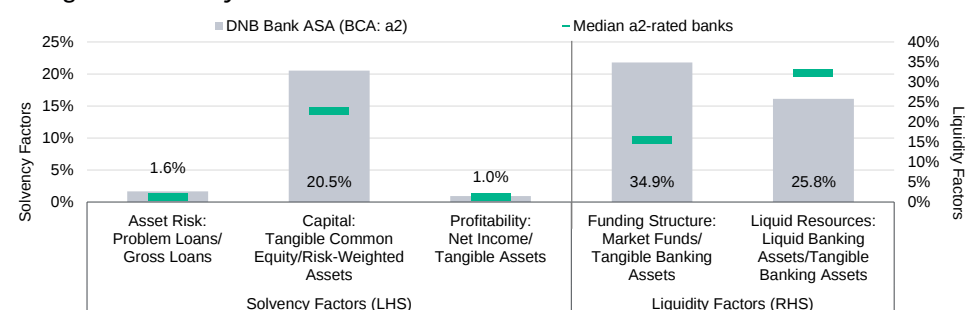
[DNB Bank ASA](#) (DNB or DNB Bank) is [Norway's](#) (Aaa) largest bank with an assigned Baseline Credit Assessment (BCA) of a2, long-term deposit ratings of Aa1 and senior unsecured debt ratings of Aa2. The outlook on the long-term deposit ratings is stable, and the outlook on the long-term senior unsecured ratings is positive. DNB's deposit and subordinated ratings were upgraded on 27 September 2023 while the senior unsecured debt ratings were affirmed.

DNB's a2 BCA reflects the bank's entrenched franchise that supports robust recurring profitability, comprehensive risk management, and very strong capitalization, balanced against high market funding.

The long-term deposit ratings of Aa1 and senior unsecured debt ratings of Aa2 reflect our forward-looking advanced Loss Given Failure (LGF) analysis resulting in three notches of rating uplift above DNB's BCA for deposit ratings and two notches for senior unsecured debt ratings, and one notch positive adjustment due to our assessment of moderate probability of government support in case of failure.

Exhibit 1

Rating Scorecard - Key Financial Ratios



These are our [Banks Methodology](#) scorecard ratios. Asset risk and profitability reflect the weaker of the three-year average and the latest annual figure. Capital is the latest reported figure. Funding structure and liquid resources reflect the latest fiscal year-end figures.

Source: Moody's Financial Metrics™

This report was republished on 5 October 2023 with some corrected figures and dates on p. 3, 6, 7 and 8.

Credit strengths

- » Very strong and stable domestic franchise, with strong ties to decision makers and government backing
- » Very high capital buffers and lower leverage than Nordic and European peers
- » Solid pre-provision earnings, the primary buffer for higher loan loss provisions
- » Prudent risk and liquidity management controls

Credit challenges

- » High dependence on market funding, mitigated by a solid deposit base and good access to local and international capital markets
- » Pockets of higher asset risk, primarily related to challenges in the offshore portfolio and shipping

Outlook

The stable outlook on the long-term deposit ratings reflects Moody's view that DNB will continue to generate strong earnings, supporting a very strong capitalization and manage asset risk prudently. Moody's also assumes continued excellent access to capital markets.

The positive outlook on the senior unsecured debt ratings reflects that DNB's issuances of senior unsecured debt may over time give additional uplift according to the Advanced LGF analysis.

Factors that could lead to an upgrade

- » Due to the very high level of DNB's BCA, a further upgrade is unlikely. The senior unsecured debt ratings could be upgraded as a result of further uplift in the Advanced LGF analysis if DNB maintains additional volumes of senior unsecured and junior senior unsecured debt so that the volume and subordination of senior unsecured debt remains above 12% of tangible banking assets.

Factors that could lead to a downgrade

- » DNB's ratings could be downgraded as a result of (i) lower volumes of loss absorbing liabilities protecting creditors in case of failure; or (ii) a downgrade in its standalone BCA due to asset quality deteriorating beyond Moody's expectations; lower capitalisation resulting in tangible common equity to risk weighted assets falling below 18%, or financing conditions becoming challenging.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

DNB Bank ASA (Consolidated Financials) [1]

	06-23 ²	12-22 ²	12-21 ²	12-20 ²	12-19 ²	CAGR/Avg. ³
Total Assets (NOK Billion)	3,355.2	3,050.2	2,782.6	2,351.2	2,378.0	10.3 ⁴
Tangible Common Equity (NOK Billion)	224.5	232.4	220.8	213.9	199.1	3.5 ⁴
Problem Loans / Gross Loans (%)	1.4	1.5	1.8	1.9	1.5	1.6 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	20.5	21.9	22.7	23.0	21.5	21.9 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	11.1	11.4	13.2	14.0	11.6	12.3 ⁵
Net Interest Margin (%)	1.8	1.6	1.4	1.5	1.6	1.6 ⁵
PPI / Average RWA (%)	4.8	3.7	3.2	3.1	2.8	3.5 ⁶
Net Income / Tangible Assets (%)	1.2	1.1	0.9	0.7	0.9	0.9 ⁵
Cost / Income Ratio (%)	35.0	40.7	44.1	43.0	43.4	41.3 ⁵
Market Funds / Tangible Banking Assets (%)	38.3	34.9	31.1	37.3	37.6	35.8 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	32.7	25.8	24.4	27.6	26.8	27.5 ⁵
Gross Loans / Due to Customers (%)	129.1	134.4	135.7	152.1	170.3	144.3 ⁵

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Investors Service and company filings

Profile

DNB Bank ASA is the parent of the group that offers a full range of financial services, including loans, savings, advisory services, insurance and pension products for retail and corporate customers. In this structure, the bank mainly provides products and services to four different segments: personal customers, small and medium-sized enterprises, large corporates and international customers, and trading.

DNB is Norway's largest financial services group and one of the largest in the Nordic region in terms of market capitalisation. It has a dominant and sustainable market share of 24% in retail loans and 24% in corporate loans domestically as of 31 May 2023. As of 30 June 2023, DNB reported a consolidated asset base of around NOK3.4 trillion (\$311 billion) and had approximately 10,434 full-time positions, 2 million retail customers, 229,000 corporate customers, 1.5 million internet bank users, 1.1 million mobile bank users, and 1.3 million customers in life and pension insurance companies in Norway. DNB is also Norway's largest asset management company, with NOK 809 billion in assets under management at the end of 2022. DNB's market share of mutual funds reached 38% as of June 2023. DNB Markets Inc, a subsidiary of DNB Bank, offers investment banking services, including risk management, investment and financing products in the capital markets.

At the end of June 2023, the Norwegian government had a 34% stake in the bank through the Norwegian Ministry of Trade, Industry and Fisheries, which makes the government DNB's largest shareholder and ensures the bank's headquarters remains in Norway; consequently we consider a reduction in the ownership stake unlikely.

Recent developments

On 16 March 2022, Norway's Competition Tribunal (NCT) announced that they approved DNB's acquisition of [Sbanken ASA](#) (ratings withdrawn)¹. The NCT's decision repeals the previously communicated decision by the Norwegian Competition Authority (NCA) in November 2021. DNB acquired the majority of Sbanken's shares in the second half of March 2022, as the transaction received earlier approvals by Norway's Ministry of Finance and the Norwegian Financial Supervisory Authority on 1 July 2021. The decision is final and cannot be appealed by any party.

Sbanken was fully integrated into DNB's financial accounts as of the end of March 2022. As of 2 May 2023, the merger with Sbanken was completed, and DNB Bank ASA assumed all of Sbanken's assets, rights and obligations.

Detailed credit considerations

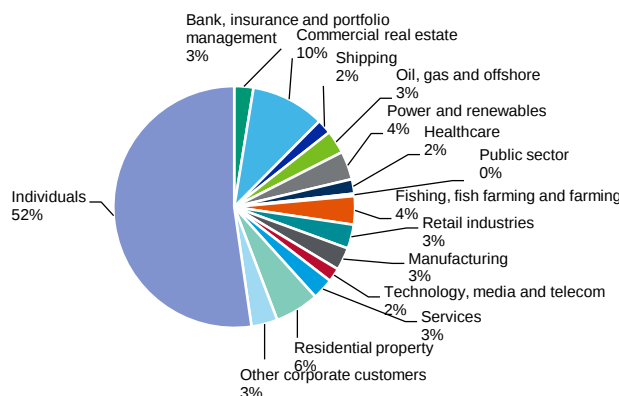
DNB has a strong asset risk, even though exposures to riskier sectors cause periodic loan loss provisions

DNB's asset risk score of a3 balances the low levels of problem loans and strong performance in most segments, supported by the strong economic activity in Norway thus far in 2023, against the exposures to the higher risk sectors such as the offshore sector, which was a key driver for large provisioning during 2020.

DNB's loan portfolio is well diversified, with 52% of exposures at default (EAD) comprising of retail lending as of 30 June 2023 (mainly low risk residential mortgages) and the remaining amount spread across industries (see Exhibit 3). During first six months of 2023, DNB reported impairment provisions of NOK792 million, mainly relating to a legacy portfolio in Poland, an increase from reversals of NOK798 million in the corresponding year-earlier period.

Exhibit 3

DNB's exposures at default (EAD) are well-distributed across sectors

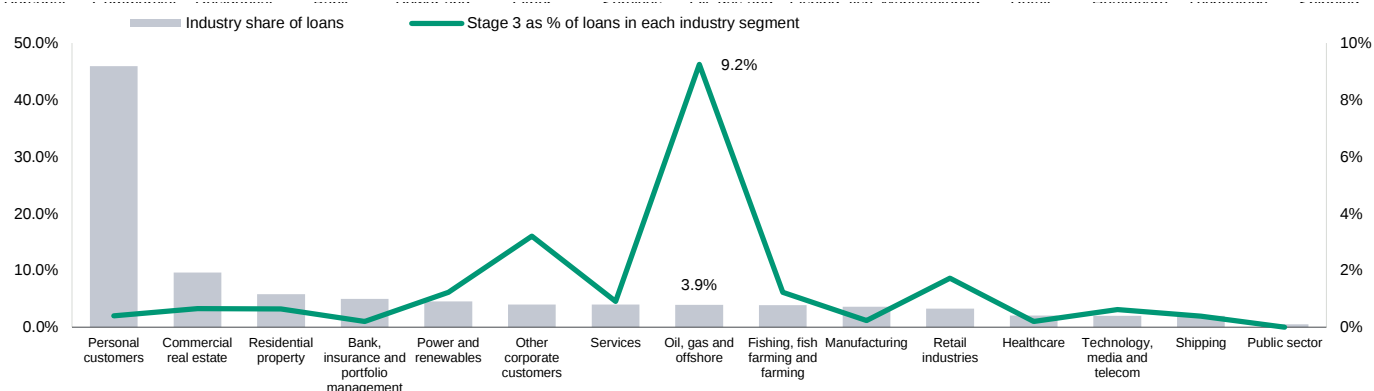


Source: Bank's Factbook, Moody's Investors Service

We expect DNB's problem loan ratio to remain relatively stable in 2023 despite increasing global macroeconomic challenges, with Norway being well positioned due to its energy exports. Problem loans to gross loans ratio decreased to 1.4% as of end-June 2023, down from 1.5% in 2022 and 1.8% in 2021 when the coronavirus pandemic resulted in deteriorating asset quality. The decrease in 2022 was mainly driven by a resurging oil and offshore sector, a sector which has been a main source of Norwegian banks' non-performing loans in recent years.

While DNB has consistently reduced its exposures to higher risk sectors, these cause large provisions from time to time. Due to strong recurring pre-provision profits, the bank has efficiently absorbed these provisions and remained profitable. The oil and offshore sector has declined significantly in volume during the last decade and the sector represents a low 3% of EAD but still 36% (down from 44% in 2022) of total Stage 3 loans (see Exhibit 4). The decision in January 2023 by the Norwegian government to grant 47 oil and gas exploration permits in northern parts of Norway may drive needed demand for exploration services, which together with investments in wind turbines at sea, help alleviate some of the overcapacity in the offshore sector. Strong earnings mitigate the risk of further loan loss provisions in the sector, with the unreserved Oil and Offshore Stage 3 exposures amounting to NOK10.1 billion, compared to PPI of NOK 26 billion.

Exhibit 4

Oil, gas and offshore segment has the highest ratio of loans in Stage 3 to sector loans**Industry share of total loans (LHS), Stage 3 as % of loans in each industry segment (RHS)**

Source: Bank's Factbook, Moody's Investors Service

Other riskier segments include commercial real estate (CRE), fishing, and shipping, which together with oil and offshore account for 19% of EAD and 202% of tangible common equity (TCE).

The volumes of level 3 (illiquid and difficult to price) shareholdings decreased to NOK15.6 billion at the end of June 2023 from NOK16.7 billion at year-end 2022, indicating participation in debt-to-equity conversions as part of restructurings. While DNB has indicated that sentiment in the offshore sector has improved, it may take time to assess whether these restructurings will be successful, enabling the bank to decrease its levels of shareholdings in problematic companies.

DNB has exposures to Eksportfinans ASA via a 40% shareholding and a guarantee for the institution's portfolio, and a 20% stake in [Luminor Bank AS](#) (Luminor Bank, A3/Baa1 positive, baa3). By decreasing its ownership in Luminor Bank to 20% from 50% through a sale to The Blackstone Group in 2019, DNB reduced its exposures to the Baltic countries, which have had historically high asset-risk volatility and anti-money laundering (AML) risks.

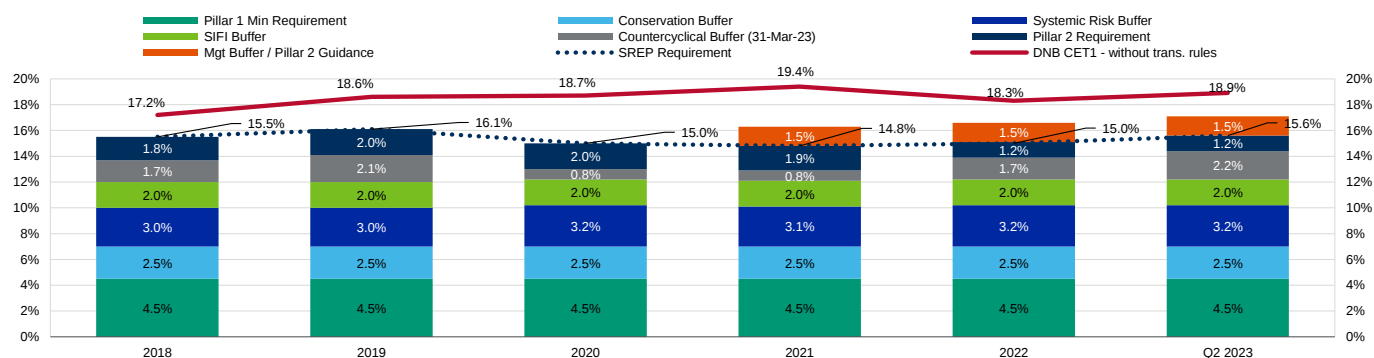
Risk adjusted capitalisation is very strong, and leverage is lower than Nordic peers

As of 30 June 2023, DNB group's Common Equity Tier 1 (CET1) capital ratio was 18.9%, up from 18.3% as of December 2022. Bank's CET1 requirement stood at 15.6% as of 30 June 2023, including the full countercyclical buffer of 2.5%. DNB's target CET1 ratio is equal to 17.1%, which includes Pillar 2 Guidance of 1.5% (see Exhibit 5).

The countercyclical buffer (CCyB) requirement returned to its pre-pandemic level of 2.5% on 31 March 2023, after it was reduced to 1.0% in March 2020 as a result of the covid-19 pandemic. The systemic risk buffer increased to 4.5% from 3% on Norwegian exposures in December 2020². Taking into account systemic risk buffers in other countries, DNB's effective systemic risk buffer was 3.2% as of 30 June 2023.

DNB's targeted CET1 ratio is above 17.1%, which is equivalent to the requirements at June 2023 combined with a full 2.5% CCyB. We assess that DNB will remain above their target in the next couple of years with a buffer of at least 0.5%.

Exhibit 5

DNB's CET1 ratio is comfortably above regulatory CET1 capital requirements

Source: Bank's reports and presentations, Moody's Investors Service

DNB's Tier 1 leverage ratio has weakened to 6.6% as of 30 June 2023 from 6.8% in December 2022, but is favourable compared with international peers.

The group's dividend policy remains unchanged, targeting a payout ratio of more than 50%, but is complemented by a share buy-back programme of 1.5%. In addition, DNB Markets was authorised to repurchase 0.5% of the shares for hedging purposes. The authorisation is valid until the Annual General Meeting in 2024.

DNB's strong recurring income has enabled the bank to continue building capital buffers, with tangible common equity (TCE) to risk weighted assets (RWA) reaching 20.5% at end of June 2023, slightly down from 21.9% at the end of 2022. Capitalisation has remained very high and above the pre-pandemic levels.

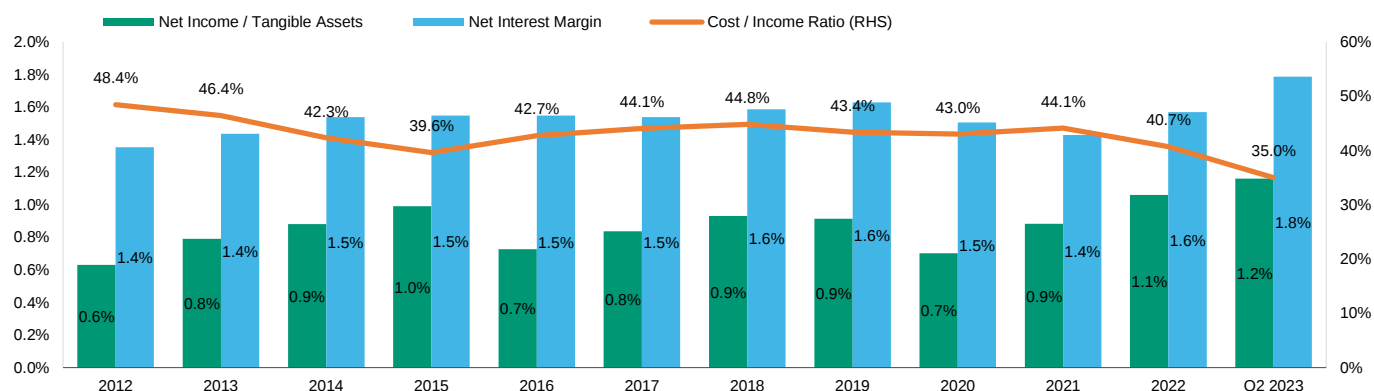
Overall, the capital score of aa1 reflects DNB's robust capital buffers, both risk adjusted and in unweighted terms. Furthermore, the very strong capital score also reflects our expectations that access to capital for DNB remains strong, and that the government of Norway continues to retain its 34% ownership stake.

DNB's consistent track record of strong pre-provision income provides good loss absorbing buffers

DNB's entrenched franchise in the Norwegian economy provides stability to its growth potential and its role as price leader ensures strong future earnings. We expect the group's profitability to continue to strengthen in 2023 as the strong rebound in the Norwegian economy generates higher business volumes for DNB and higher interest rates support wider margins. Reported pre-provision income in the first six months of 2023 amounted to NOK27 billion, a 38% increase compared to the same period 2022.

During the first six months of 2023 DNB's profitability strengthened with net income to tangible assets reaching 1.16%, compared to 0.98% in the year-earlier period (see Exhibit 6). We expect DNB's profitability to continue to improve in 2023, primarily due to continued strong economic activity, generating additional business volumes, and supported by additional key policy interest rate hike still expected from Norges Bank during the second half of 2023.

Exhibit 6

DNB's strong recurring profitability provides loss absorbing buffers

Source: Bank's reports and presentations, Moody's Investors Service

During the first six months of 2023 net income improved by 30% to NOK19.4 billion compared to the same period in 2022; primarily supported by higher lending volumes, higher interest rates, repricing of loans and the acquisition of Sbanken. Net interest income accounted for 73% of the group's revenues in the first six months of 2023 and remains the main driver of DNB's revenues.

A 30% increase in operating income, (NOK39.9 billion for the first six months of 2023) offset a 16% increase in operating expenses, leading to an improvement in Moody's adjusted cost-to-income to 35% for the first six months of 2023 from 40% for same period in 2022 respectively.

We expect volumes in the personal customer and small business segments to continue to rise, supporting strong net interest income and commission income, while we do not eliminate further loan loss provisions due to downside risks in risky sectors.

DNB reported impairment provisions of NOK792 million for the first six months of 2023. Of these, NOK653 million related to a legacy portfolio mortgages in Poland following the European Court of Justice's borrower friendly judgement in June³.

The assigned a3 score reflects both our expected trend in profitability, but also DNB's strong franchise and stability in revenues.

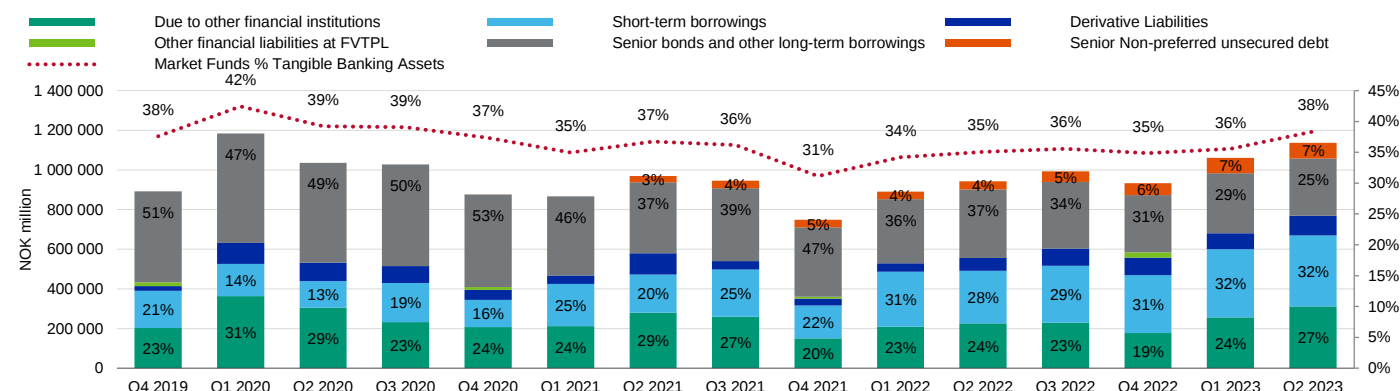
Reliance on market funding to reduce, but DNB benefits from a solid deposit base and good access to local and international capital markets

The baa3 funding structure score balances DNB's high reliance on market funding - market funds to tangible banking assets ratio was 38.3% at the end of June 2023 (2022: 34.9%), with its continued strong access to the capital markets and increasing deposit volumes (see Exhibit 7). The bank's dependence on market funding — although common for Nordic banks — could be a source of risk because, in times of stress, market funds can become less cost-effective, exerting pressure on banks' net profitability.

Due to the MREL requirements in Norway we expect DNB to continue shifting senior preferred (SP) debt to senior non-preferred (SNP) debt.

Exhibit 7

DNB's market funding is well-diversified



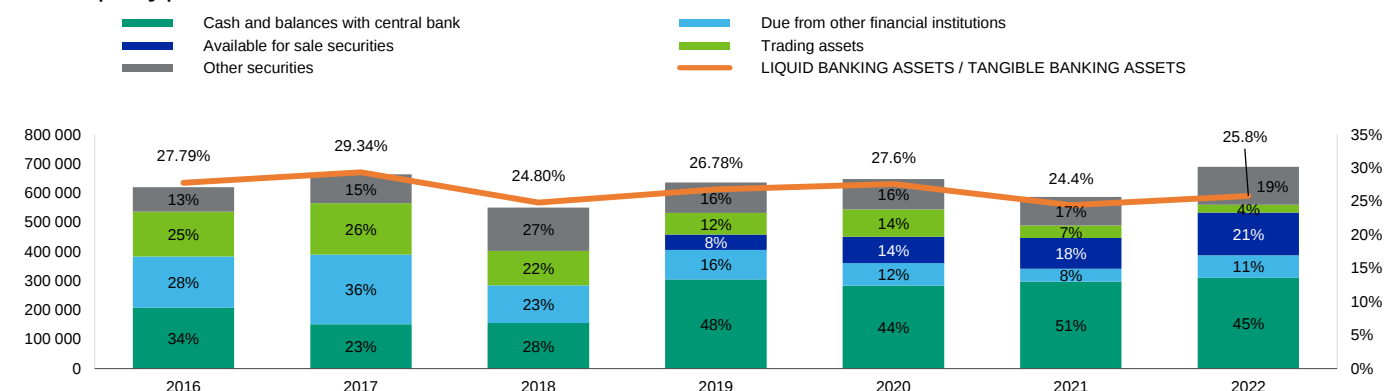
Source: Bank's reports and presentations, Moody's Investors Service

DNB experienced strong deposit growth in 2020, 2021 and 2022 (more than 10% per year). Although deposit growth may slow down in Europe due to a tightening of monetary policies, we expect that deposit growth for DNB will continue. The Norwegian economy is likely to continue performing well, and DNB has large oil companies as customers whose deposits are growing quickly with the elevated demand for Norwegian oil and gas. Even though SME and household deposit growth slows down in the wake of increased cost of living, overall deposit growth for DNB should remain at around 2-4% per year over the next 12-18 months.

DNB has a well-diversified liquidity portfolio with around half of the portfolio comprising of cash while the remainder is split between highly liquid government, covered bonds and other debt securities (see Exhibit 8). Moody's preferred liquidity metric - adjusted liquid banking assets to tangible banking assets, remained stable over the years above 25%, only with a small drop in 2021. The stability and the strength of DNB's liquidity profile is reflected in the a2 liquidity score. The bank's reported liquidity coverage ratio (LCR) was 153% as of June 2023.

Exhibit 8

DNB's liquidity profile is well-diversified



Source: Bank's reports and presentations, Moody's Investors Service

ESG considerations

DNB Bank ASA's ESG Credit Impact Score is Low CIS-2

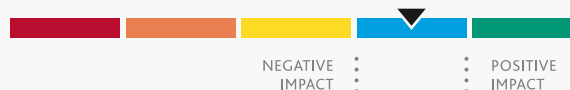
Exhibit 9

ESG Credit Impact Score

CIS-2

Neutral-to-Low

For an issuer scored CIS-2 (Neutral-to-Low), its ESG attributes are overall considered as having a neutral-to-low impact on the current rating; i.e., the overall influence of these attributes on the rating is non-material.



Source: Moody's Investors Service

DNB Bank's **CIS-2** indicates that ESG considerations do not have a material impact on current ratings. This reflects the limited credit impact of environmental and social risk factors on the ratings to date, and the low governance risks.

Exhibit 10

ESG Issuer Profile Scores

ENVIRONMENTAL

E-3

Moderately Negative



SOCIAL

S-3

Moderately Negative



GOVERNANCE

G-2

Neutral-to-Low



Source: Moody's Investors Service

Environmental

DNB Bank faces moderate environmental risks primarily because of its portfolio exposure to carbon transition. The risks are primarily related to its corporate business segments, and in particular its oil, offshore and shipping business. In line with its peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, the bank is developing its climate risk and portfolio management capabilities.

Social

DNB Bank faces moderate social risks related to regulatory and litigation risks, requiring high compliance standards. The exposure to customer relation risks is lower than those of its peers, given the bank's untarnished customer conduct track record. DNB Bank is a digitally advanced bank in Norway, with a robust IT infrastructure and strong capabilities to mitigate cyber and personal data risks.

Governance

DNB Bank's governance risks are low. The bank has a strong track record of risk management and has demonstrated a prudent risk appetite. Management has strong credibility and continuously delivers on targets. DNB is partly owned by the Government of Norway, which is considered a passive shareholder, but this does not result in incremental governance risks because of the country's developed institutional framework.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure Analysis

Norway implemented the EU's Bank Recovery and Resolution Directive (BRRD) on 1 January 2019 and BRRD2 was implemented into Norwegian law 1 June 2022, which results in lower subordination requirements for non-preferred senior volumes. For our resolution analysis, we assume residual tangible common equity of 3% and post-failure losses of 8% of tangible banking assets, a 25% run-off in "junior" wholesale deposits and a 5% run-off in preferred deposits, and assign a 25% probability to deposits being preferred to senior unsecured debt. We apply a standard assumption for the large European banks that 26% of deposits are junior.

Our forward-looking LGF analysis incorporates our expectations that DNB will issue additional loss-absorbing instruments, mainly in the form of senior non-preferred debt in response to the current MREL framework that has been set by the Norwegian FSA.

BRRD2

By 1 January 2024, DNB Bank will need to fulfill fully phased in MREL. [Under the FSA's approach](#), Norwegian banks' total MREL requirement is two times the full capital requirement - consisting of Pillar 1 and Pillar 2 capital, plus the combined buffer requirement (CBR) - minus an amount equal to the counter cyclical buffer (CCyB).

DNB's expected future MREL requirement on 1 January 2024 (including expected increase in the CCyB) is approximately 38% of adjusted total risk exposure amount, leading to an estimated need for MREL eligible debt of total €16 billion, which can be covered by €9 billion in senior non-preferred debt and €7 billion in senior preferred debt. Furthermore, we expect that the bank will need significant buffers above requirements to manage balance sheet growth, FX volatility, maturities and other risks.

DNB's Aa1 long-term deposit ratings receive three notches of uplift, reflecting the volume of senior unsecured debt and underlying subordination including senior non-preferred debt expected to be issued which provide protection from losses to senior unsecured debt, and one notch uplift for moderate probability of government support.

DNB's Aa2 senior unsecured debt ratings reflects the subordination requirement, indicating a two notch uplift above the adjusted BCA and one notch uplift for moderate probability of government support.

For junior securities issued by DNB, our LGF analysis confirms a high loss given failure, given the small volume of debt and limited protection from more subordinated instruments and residual equity. We also incorporate additional negative notching for junior subordinated and preference share instruments reflecting the coupon features.

The (P)A2 rating assigned to the junior senior MTN programme reflects (1) DNB Bank's adjusted BCA of a2; (2) our advanced LGF analysis, which indicates likely low loss severity for these instruments in the event of the bank's failure, leading to a position in line with the level of the bank's adjusted BCA; and (3) our assumption of a low probability of government support for this new instrument, resulting in no additional uplift.

Government support

We assess that there is a moderate probability of government support in case of need, which translates into a one notch positive adjustment in the senior ratings of DNB. The bank has been designated by the regulator as a systemically important financial institution, and is currently 34% owned by the Norwegian Ministry of Trade and Industry. We expect the government to keep at least 34% ownership share in DNB to ensure that it remains headquartered in Norway.

For junior securities, we continue to believe that the probability of government support is low and that these ratings do not include any related uplift. Junior securities also include additional downward notching from the BCA reflecting coupon suspension risk ahead of a potential failure.

Counterparty Risk Ratings (CRRs)

DNB's CRR is Aa1/P-1

The CRR of Aa1 reflects the Adjusted BCA of a2, with three notches of uplift reflecting the extremely low loss given failure from the high volume of instruments that are subordinated to CRR liabilities. The CRR also benefits from one notch of systemic support, resulting from our assumption of a moderate likelihood of government support. The short-term CRR is P-1.

Counterparty Risk Assessment

DNB's CR Assessment is Aa1(cr)/P-1(cr)

The CR Assessment of Aa1(cr) reflects the Adjusted BCA of a2, with three notches of uplift reflecting the extremely low loss given failure from the high volume of instruments that are subordinated to CR Assessment liabilities. The CR Assessment also benefits from one notch of systemic support, resulting from our assumption of a moderate likelihood of government support. The short-term CRA is P-1(cr).

Source of facts and figures cited in this report

Unless noted otherwise, all figures shown in this report are sourced from the bank's latest annual and interim financial reports and our Banking Financial Metrics. These metrics are based on our own chart of account, and are adjusted for analytical purposes. Please refer to the document [Financial Statement Adjustments in the Analysis of Financial Institutions](#), published on 9 August 2018.

Methodology and scorecard

About Moody's bank scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 11

DNB Bank ASA

Macro Factors

Weighted Macro Profile	Very Strong -	100%					
Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2	
Solvency							
Asset Risk							
Problem Loans / Gross Loans	1.6%	aa3	↔	a3	Quality of assets		
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	20.5%	aa1	↔	aa1	Expected trend	Access to capital	
Profitability							
Net Income / Tangible Assets	1.0%	baa1	↔	a3	Expected trend		
Combined Solvency Score		aa3		a1			
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets	34.9%	baa3	↔	baa3			
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets	25.8%	a2	↔	a2	Stock of liquid assets	Expected trend	
Combined Liquidity Score		baa1		baa1			
Financial Profile				a2			
Qualitative Adjustments				Adjustment			
Business Diversification				0			
Opacity and Complexity				0			
Corporate Behavior				0			
Total Qualitative Adjustments				0			
Sovereign or Affiliate constraint				Aaa			
BCA Scorecard-indicated Outcome - Range				a1 - a3			
Assigned BCA				a2			
Affiliate Support notching				0			
Adjusted BCA				a2			

Balance Sheet	in-scope (NOK Million)	% in-scope	at-failure (NOK Million)	% at-failure
Other liabilities	1 092 334	36.8%	1 242 567	41.9%
Deposits	1 472 869	49.7%	1 322 636	44.6%
Preferred deposits	1 089 923	36.7%	1 035 427	34.9%
Junior deposits	382 946	12.9%	287 209	9.7%
Senior unsecured bank debt	167 893	5.7%	167 893	5.7%
Junior senior unsecured bank debt	85 425	2.9%	85 425	2.9%
Dated subordinated bank debt	40 196	1.4%	40 196	1.4%
Preference shares (bank)	18 274	0.6%	18 274	0.6%
Equity	88 979	3.0%	88 979	3.0%
Total Tangible Banking Assets	2 965 970	100.0%	2 965 970	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF	Assigned	Additional	Preliminary
	Instrument	Sub-	Instrument	Sub-	De Jure	De Facto	Notching	LGF	Notching	Rating
	volume +	ordination	volume +	ordination			Guidance	notching		Assessment
	subordination		subordination				vs.			
							Adjusted			
							BCA			
Counterparty Risk Rating	23.2%	23.2%	23.2%	23.2%	3	3	3	3	0	aa2
Counterparty Risk Assessment	23.2%	23.2%	23.2%	23.2%	3	3	3	3	0	aa2 (cr)
Deposits	23.2%	7.9%	23.2%	13.5%	2	3	2	3	0	aa2
Senior unsecured bank debt	23.2%	7.9%	13.5%	7.9%	2	1	2	2	0	aa3
Junior senior unsecured bank debt	7.9%	5.0%	7.9%	5.0%	0	0	0	0	0	a2
Dated subordinated bank debt	5.0%	3.6%	5.0%	3.6%	-1	-1	-1	-1	0	a3
Non-cumulative bank preference shares	3.6%	3.0%	3.6%	3.0%	-1	-1	-1	-1	-2	baa2

Instrument Class	Loss Given		Additional	Preliminary Rating	Government	Local Currency	Foreign
	Failure	notching					
			notching	Assessment	Support	Rating	Currency
					notching		Rating
Counterparty Risk Rating	3		0	aa2	1	Aa1	Aa1
Counterparty Risk Assessment	3		0	aa2 (cr)	1	Aa1(cr)	
Deposits	3		0	aa2	1	Aa1	Aa1
Senior unsecured bank debt	2		0	aa3	1	Aa2	Aa2
Junior senior unsecured bank debt	0		0	a2	0	A2	A2
Dated subordinated bank debt	-1		0	a3	0		(P)A3
Non-cumulative bank preference shares	-1		-2	baa2	0	Baa2 (hyb)	Baa2 (hyb)

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Investors Service

Ratings

Exhibit 12

Category	Moody's Rating
DNB BANK ASA	
Outlook	Stable(m)
Counterparty Risk Rating	Aa1/P-1
Bank Deposits	Aa1/P-1
Baseline Credit Assessment	a2
Adjusted Baseline Credit Assessment	a2
Counterparty Risk Assessment	Aa1(cr)/P-1(cr)
Senior Unsecured	Aa2
Junior Senior Unsecured	A2
Junior Senior Unsecured MTN	(P)A2
Subordinate MTN	(P)A3
Pref. Stock Non-cumulative	Baa2 (hyb)
Commercial Paper	P-1
Other Short Term	(P)P-1
DNB BANK ASA, NEW YORK BRANCH	
Outlook	Stable
Bank Deposits	Aa1/P-1
DEN NORSKE CREDITBANK	
Bkd Jr Subordinate	Baa1 (hyb)

Source: Moody's Investors Service

Endnotes

- The ratings shown in this report are the bank's long-term deposit/senior unsecured (issuer) debt rating and Baseline Credit Assessment
- Since this [buffer requirement](#) targets structural vulnerabilities and other systemic risks in the Norwegian economy, it should only apply to banks' exposures in Norway, in contrast to the previous systemic risk buffer requirement, which applies to all exposures.
- The judgement was that the banks do not have the right to be compensated for the cost of the capital they gave out as mortgage loans while borrowers have the right to be compensated for overpayments in case the loan payments were unjust. This judgement is subject to the interpretation of the local courts.

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