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DNB Bank ASA (DNB) is a wholly owned subsidiary of Norway's largest financial group, DNB ASA, and its main operating unit. On 02 July 2020, the Ministry of Finance approved the merger of DNB (HoldCo) with DNB Bank, which would make DNB Bank the parent of the DNB Group. Closing is expected on 01 July 2021, subject to further regulatory approvals. In addition to a reduction in complexity with regard to corporate governance, reduced funding costs are also associated with the merger or the new legal structure of the Group. The Group is approximately 34% state-owned as of March 31, 2021. In Norway, the Group is one of the systemically important institutions. DNB also made an offer to acquire Sbanken ASA in April 2021, which is also a consequence of the Group's digital strategy. The business activities are divided into the segments: "Personal Customers", "Corporate Customers" and "Other Operations". DNB continues to record growth in the operating segments. For example, in the Personal Customers segment, volumes increased in both loans (+2.8% Y/Y) and deposits (+4.6% Y/Y) in IQ2021. Corporate Customers saw increases of 5.6% Y/Y (loans to SME) and 18.6% Y/Y (SME deposits). As part of the publication of the quarterly figures for March 31, 2021, a CET1 ratio of 19.2% was reported, which is significantly above the regulatory requirements. The leverage ratio also exceeded the regulatory requirement of 6% at 6.9% as of March 31, 2021.

Ratings

	Rating	Outlook
Fitch	-	-
Moody's	Aa2	Stable
S&P	AA-	Stable

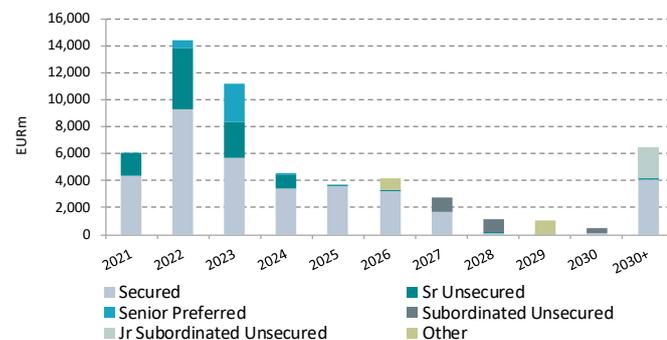
Homepage

www.ir.dnb.no

Balance Sheet

(EURm)	2018Y	2019Y	2020Y
Net Loans to Customers	161,042	169,421	162,478
Total Securities	39,407	36,007	45,223
Total Deposits	94,738	99,090	106,066
Tier 1 Common Capital	17,450	17,133	17,396
Total Assets	232,562	250,443	246,294
Total Risk-weighted Assets	100,818	93,752	88,738

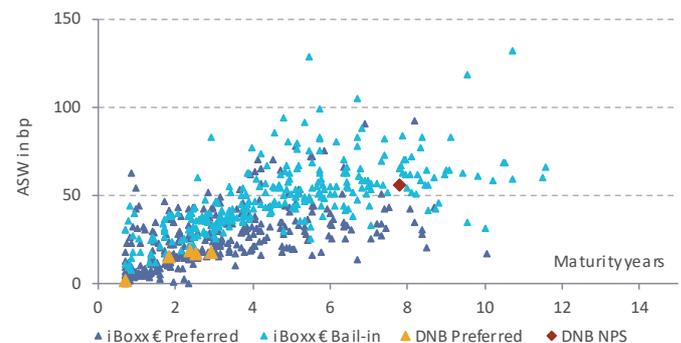
Redemption Profile



Income Statement

(EURm)	2018Y	2019Y	2020Y
Net Interest Income	3,893	4,053	3,668
Net Fee & Commission Income	688	672	585
Net Trading Income	140	323	556
Operating Expense	2,114	2,208	2,064
Credit Commitments Impairment	-14	222	926
Pre-tax Profit	2,841	2,811	1,995

Senior Unsecured Bonds



Company Ratios

	2018Y	2019Y	2020Y		2018Y	2019Y	2020Y
Net Interest Margin	1.58	1.63	1.47	Liquidity Coverage Ratio	117.00	138.00	148.00
ROAE	10.95	10.65	7.65	IFRS Tier 1 Leverage Ratio	7.89	7.19	7.59
Cost-to-Income	41.96	42.07	41.05	NPL/ Loans at Amortised Cost	-	-	-
Core Tier 1 Ratio	17.31	18.27	19.60	Reserves/NPLs	0.63	0.63	0.84

As of: 04.05.2021; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Markets Strategy & Floor Research

Strengths / Opportunities

- Market leader in Norway's financial sector
- Revenue-creating capacity and capital ratio

Risks / Weaknesses

- Reliance on capital market funding
- Impact of corona virus and oil price shock

Covered Bonds

Author: Henning Walten, CIIA

EUR 48.6bn in outstanding covered bonds

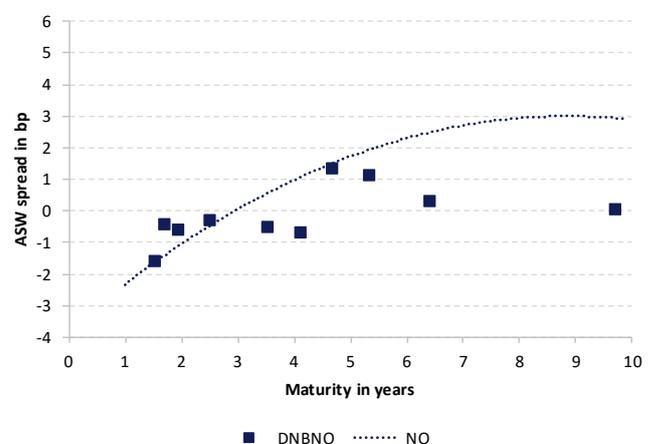
As at 31 March 2021, DNB Boligkreditt had outstanding covered bonds with a volume equivalent to EUR 48.6bn. The issues were backed by cover assets with a volume of around EUR 68.5bn, resulting in an OC ratio of 41.0%. In addition to EUR bonds, DNB Boligkreditt also has outstanding bonds in CHF, GBP, NOK, SEK and USD, although the majority, 64.9% of the outstanding volume, is in Euro. In the April 2021 iBoxx EUR Covered, DNB Boligkreditt was represented by ten EUR benchmarks with a total volume of EUR 14.75bn. Since 2018, the institute has also placed two EUR benchmarks in the market for green covered bonds.

Programme data

31 March 2021	Mortgages
Covered bonds outstanding	EUR 48.58bn (NOK 487.22bn)
Cover pool volume	EUR 68.49bn (NOK 686.97bn)
Current OC (nominal / legal)	41.0% / 2.0%
Type	100% Residential
Main country	100% Norway
Main region	31.8% Viken
Number of loans	395,186
Number of borrowers	335,491
Share of 10 largest exposures	0.2%
Fixed interest (Cover Pool / CBs)	5.7% / 73.4%
WAL (Cover Pool / CBs)	12.8y / 3.7y
NPL	0.08%
CB Rating (Fitch / Moody's / S&P)	- / Aaa / AAA

Source: Issuer, Rating agencies, Bloomberg, NORD/LB Markets Strategy & Floor Research

Spread overview (BMK) – Norway



Exclusively residential cover assets from Norway

DNB Boligkreditt's cover pool consists exclusively of residential assets, which are also fully attributable to the Norwegian national territory. 69.9% are categorised as owner-occupied residential property. The share of detached and semi-detached houses is the highest at 59.1%. Flats, on the other hand, have a share of 31.1% of the cover assets. In line with the origin of the loans, they are denominated entirely in NOK. More than half of the loans have been outstanding for at least three years. 36.4% have even been in place for five years. Geographically, the cover assets are concentrated in the Oslo metropolitan area. The Viken region around Oslo accounts for the largest share of assets at 31.8%, while the capital itself accounts for another 24.7%. Together with the Vestfold and Telemark region (8.3%) in the southwest of Oslo, these three regions account for around two-thirds of the cover pool. Based on a loan number of 395,186 and 335,491 borrowers, the cover pool can be described as granular. The average loan volume of the equivalent of around EUR 174,000 and the share of the ten largest exposures of 0.2% support this assessment.

Rating and regulatory treatment

DNB Boligkreditt's EUR benchmarks have top ratings from Moody's (Aaa) and S&P (AAA) and are therefore suitable as Level 1 assets for LCR management. In addition, the bonds benefit from a preferred risk weight of 10% according to CRR.

Appendix

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