



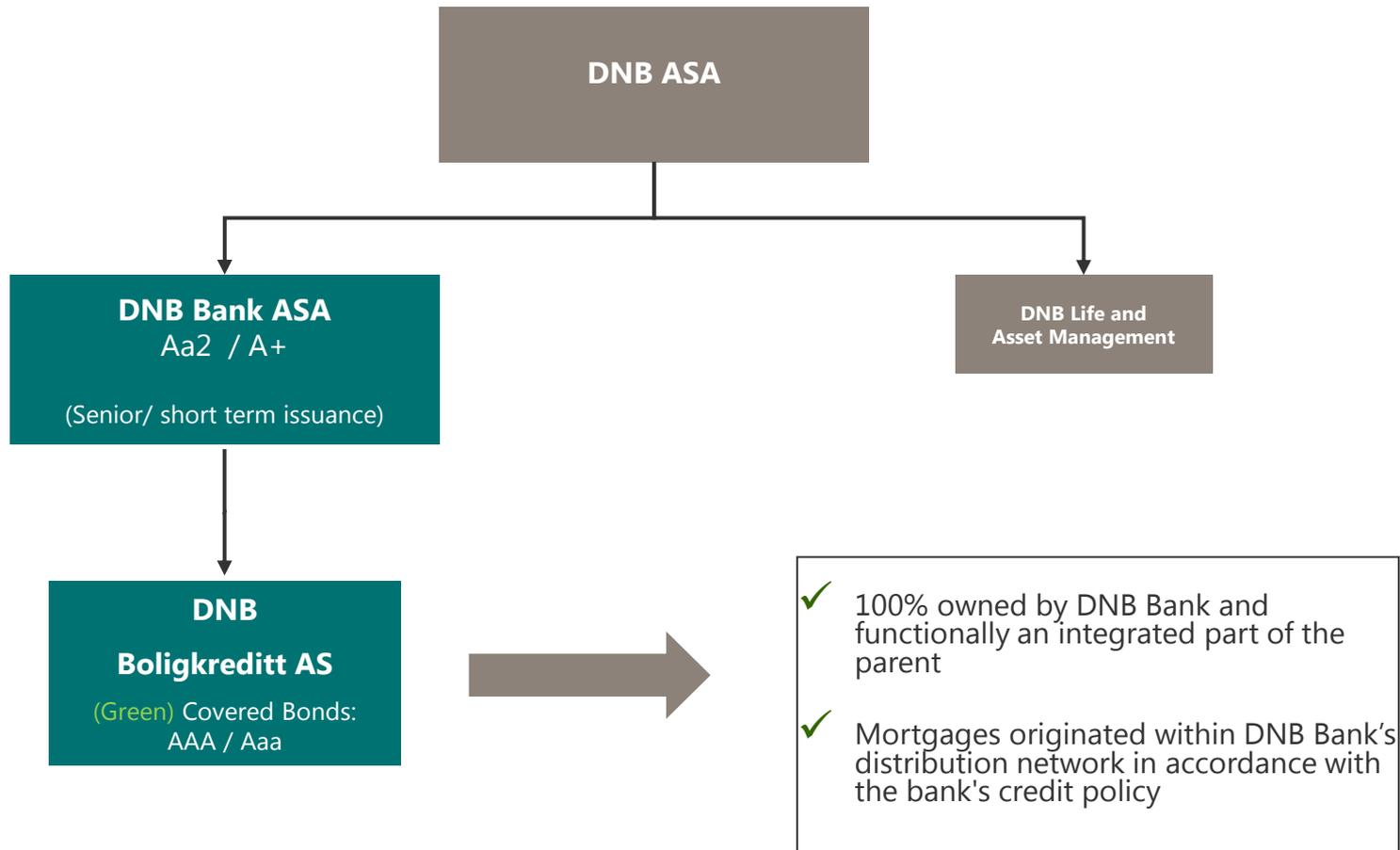
DNB Boligkreditt

A photograph of a field of white daisies with yellow centers, set against a sunset sky with soft orange and yellow light. A teal semi-transparent banner is overlaid on the image.

Green Covered Bonds

May 2018

The DNB Group



Summary

DNB Boligkreditt is contemplating the issuance of a **green covered bond**

The net proceeds will be allocated to new and existing mortgages for **the most energy efficient residential buildings in Norway**

DNB will use assets well within the **top 15 % of the total Norwegian housing stock** and in line with Climate Bonds Initiative

DNB Boligkreditt's Green Bond Framework has been structured in line with the **Green Bond Principles**

The Green Bond Framework has received full endorsement by **Sustainalytics** via its second party opinion



Rationale



Impact

- Contribute to the avoidance of CO₂ emissions and to reduce global warming
- Help fulfil the UN sustainable development goals



Investors

- Develop sustainable investment opportunities for investors
- Allow current and new investors who support making a positive impact

Issuer

- Confirm DNB's sustainability credibility and leadership
- Aid the development of the Green Bond market
- Diversify DNB's investor base



Key stakeholders

Framework conforms with the **Green Bond Principles**

- Conforms with the Green Bond Principles (GBPs), contributes to the UN's SDGs and is in line with the EeMAP

DNB has established a **Green Bond Committee**

- Chaired by the Head of the CSR department, and members from DNB Boligkreditt, Group Treasury and Sustainable Finance in DNB Markets.

Methodology developed by **Multiconsult**

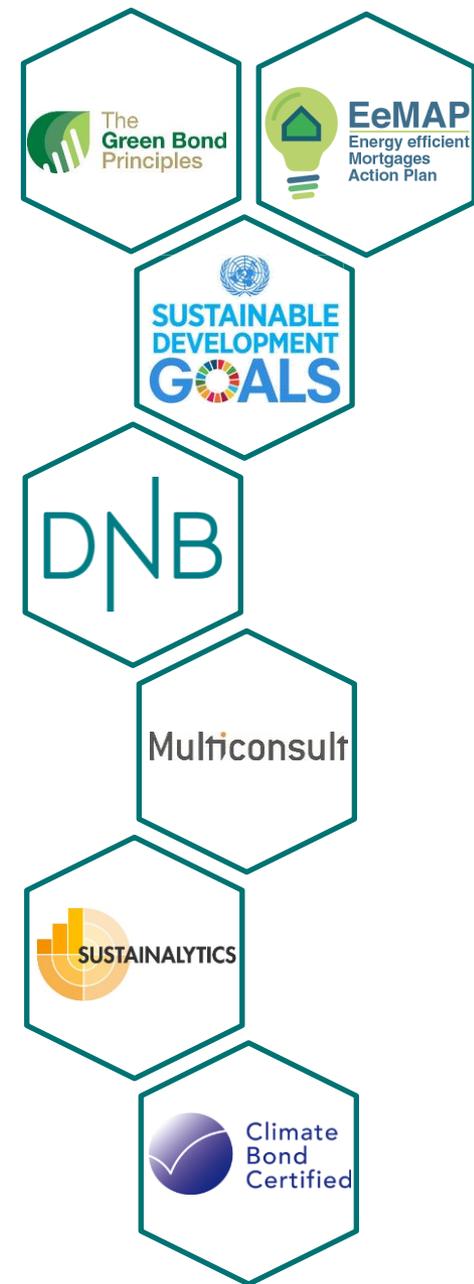
- A consultancy in Norway that provides advisory services within the renewable energy value chain, including energy efficiency in buildings

Second party opinion from **Sustainalytics**

- Sustainalytics supports hundreds of the world's foremost investors who incorporate ESG and corporate governance into their investment processes

Methodology in line with the **Climate Bonds Initiative** approach

- Non-profit labelling scheme ensuring consistency with the Paris Agreement
- Application for CBI certification is expected for a potential future green issuance



Green Covered Bond Framework

Compliant with ICMA's Green Bond Principles



Use of Proceeds

- New and existing mortgages for energy efficient residential buildings

Process for Project Evaluation and Selection

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

Management of Proceeds

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

Reporting

- Reporting will be reflected on a portfolio basis
- Allocation and impact reporting
- A preliminary CO₂ impact report shows around 50 % energy saving vs. the average Norwegian home

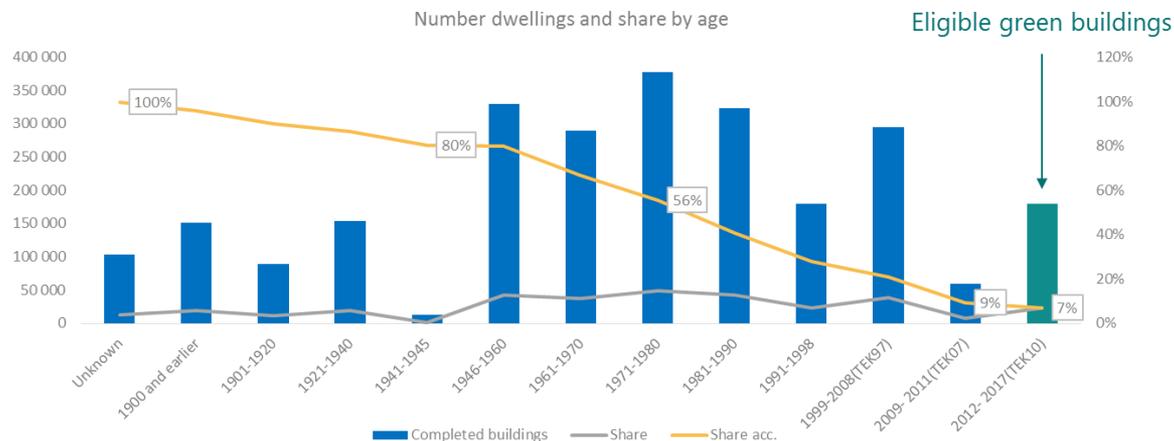
Eligibility criterion

- Eligibility criterion for DNB's green covered bond:

Residential buildings completed in 2012 or later

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

- DNB's eligibility criterion considers residential buildings in the top 15 % of the most energy efficient buildings in Norway in line with guidance from CBI
- The eligible buildings are currently 7 % of the total Norwegian households and make up for only 3% of the energy demand from all residential buildings in Norway*

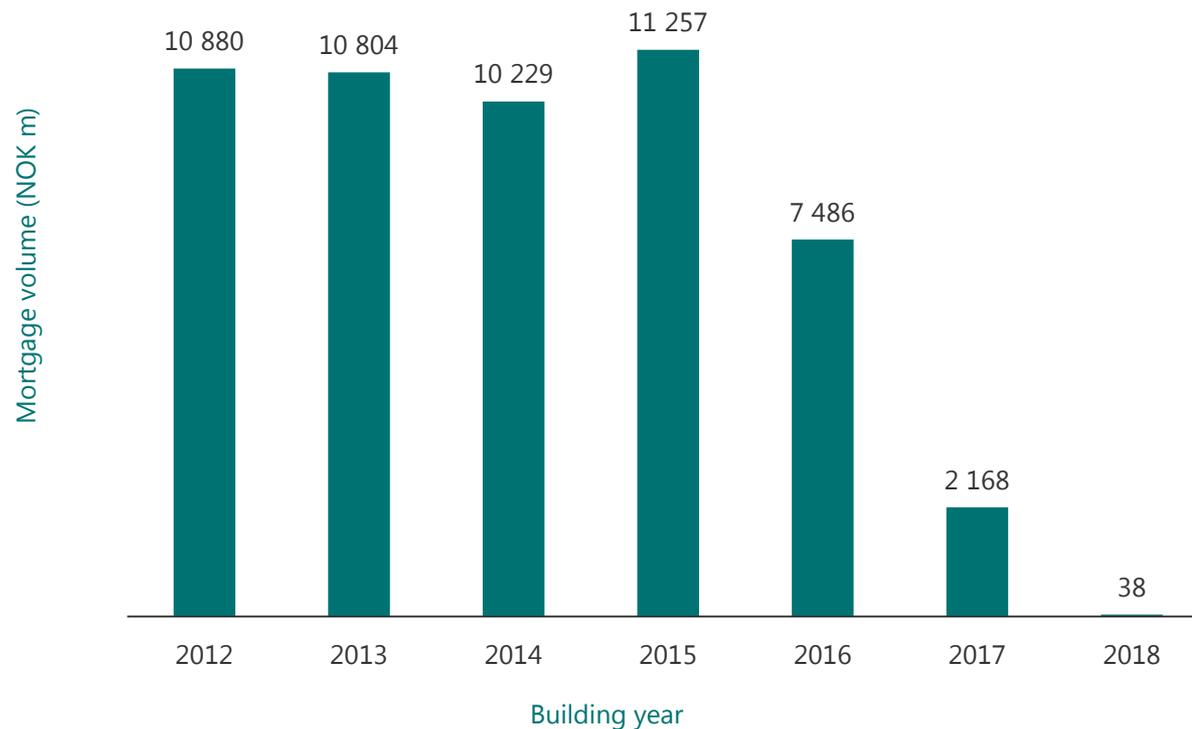


* Source: Multiconsult

Use of Proceeds: DNB Boligkreditt Green Bond Portfolio

Outstanding balance of mortgages currently eligible in the cover pool

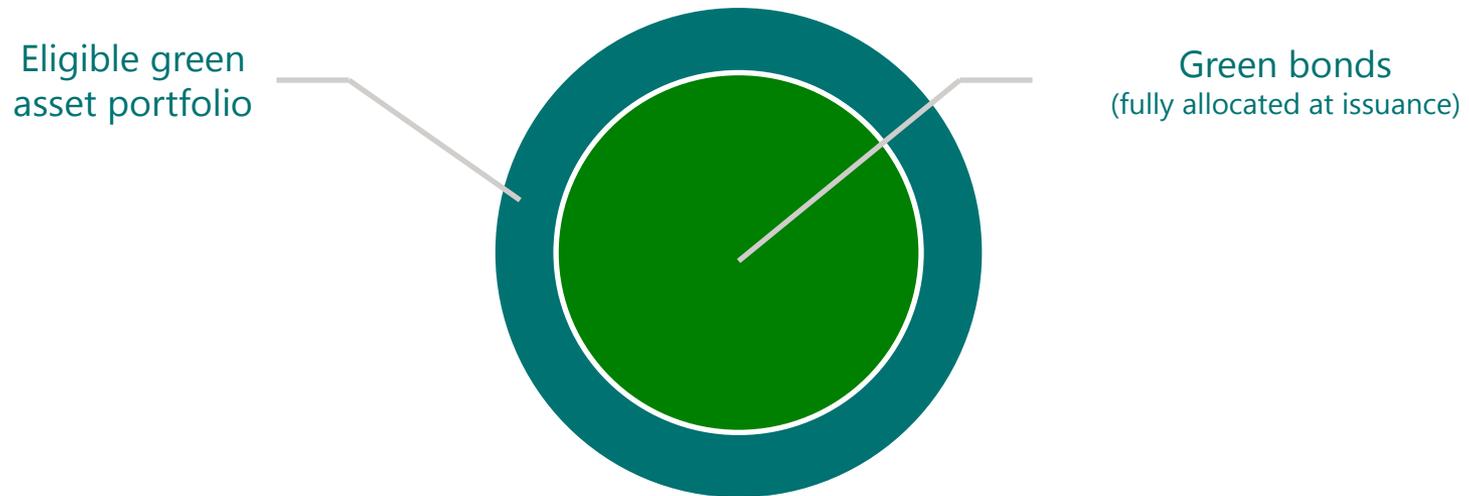
(As of 31/03/2018)



~NOK 53bn eligible green assets

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

Management of proceeds



- An aggregated portfolio approach has been used to manage the green assets
- Eligible green assets at all times exceeds all outstanding green liabilities
- Green assets that become ineligible for the green portfolio will no longer count and be replaced with eligible assets where necessary
- The Green Bond Committee will ensure ongoing compliance with the eligibility criteria

Reporting

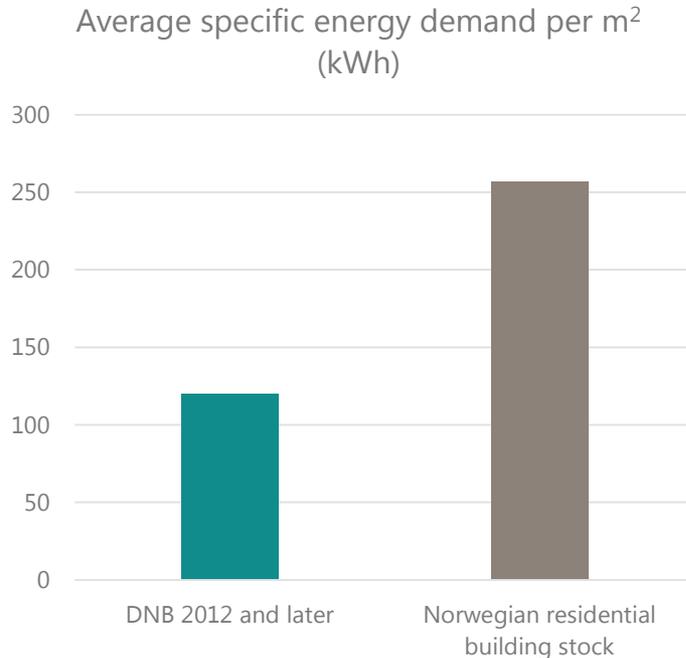
- The allocation and impact reporting will be provided on indicators such as:



- Green bonds will be issued against the existing green portfolio and allocated in full upon issuance
- All relevant reporting will be made available on DNB's website

Estimated CO₂ reduction in DNB's eligible green portfolio

Reduced energy consumption of 304 GWh per year on DNB's eligible green portfolio¹



The average DNB eligible green building consumes around **50 % less energy** than the national Norwegian average¹



CO₂ reduction per year equivalent to²

44,759 acres of forest



16,186,076 liters of gasoline consumed



¹ Source: Multiconsult – estimated as of May 2018

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

Second party opinion

- *“Sustainalytics views DNB Boligkreditt’s intended allocation of bond proceeds to a loan portfolio for energy-efficient residential buildings in Norway as **impactful**”*
- *“DNB Boligkreditt’s green covered bond issuance will **contribute to Norway’s climate targets and the broader EU climate targets**”*
- *“**The eligibility criterion used is robust**, given the credible data sources used to establish the underlying methodology”*



Sustainability within DNB

DNB's approach to Sustainability

Climate and Environment



- Measure and report on climate risk
- Enhance energy efficiency of operations
- Promoting continual environmental improvements and establish internal targets
- Encouraging the development of sustainable technology and solutions
- Promote environmental responsibility and sustainable management of water resources

Human Rights and Social Responsibility



- Respecting and enhancing human rights
- Working to achieve dialogue and cooperation with stakeholders
- Promoting diversity among the Group's employees
- Responsible lending and Responsible Investing (exclusion of some sectors)
- Supporting socially useful objectives and securing important social values

Corporate Responsibility



- High ethical standards and sound corporate governance
- Open, clear and honest communication to all stakeholders
- Zero tolerance for corruption
- Transparency and verifiability
- Implementation of ESG screening in the supply chain

Corporate responsibility in DNB is about how the Group creates value by considering both risks and opportunities in a long-term perspective

DNB is a leader in terms of sustainability ratings

Rating provider	Rating
	<p>Prime status</p>
	<p>87/100 in the Sustainalytics Rating (Ranked 4th out of 344 financial institutions)</p>
	<p>DNB is part of the 2017 list of world's 100 most sustainable corporations unveiled at the World Economic Forum annual meeting in Davos, Switzerland</p>
	<p>A rating</p>
	<p>Grade A – (part of the 'A list') Only Nordic financial institution on the global 120 company 'A list'</p>
 <p>FTSE4Good</p>	<p>4.1 rating (out of 5)</p>

DNB's sustainability journey



Please refer to the appendix for a detailed breakdown of the global sustainability initiatives that DNB supports

Further information and contact details

For credit related information see the general [Debt Investor Presentations](#)

For other information see:

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



Thor Tellefsen

Senior Vice President, Head of Long Term Funding

Phone direct: + 47 24 16 91 22

Mobile: + 47 915 44 385

E-mail: thor.tellefsen@dnb.no

Lars Ekeland

Senior Vice President, Long Term Funding

Phone direct: + 47 24 16 91 25

Mobile: + 47 916 07 053

E-mail: lars.ekeland@dnb.no

Lene Bergwitz-Larsen

Senior Vice President, Long Term Funding

Phone direct: + 47 24 16 91 27

Mobile: + 47 402 20 140

E-mail: lene.bergwitz-larsen@dnb.no

Appendix

Sustainability is a central part of DNB's strategy

Conscious choices that make a difference to society

Selected areas of priority

Alignment with UN SDGs

Environmental effort

- Actively seeking to reduce energy and minimize waste to operate in a more environmentally friendly manner



Responsible investments

- No investment in companies that contribute to grave harm to the environment, gross corruption or violation of human and labour rights
- Instead, we support companies that contribute positively to society



Responsible lending

- Sector guidance notes to ensure that credit decisions are in accordance with DNB's principles for corporate responsibility
- More emphasis on CSR and ESG risk in credit processes



Promote innovation and restructuring

- As a major Norwegian bank, DNB reflects the Norwegian society and embraces challenges and opportunities

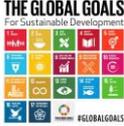


Sustainable personal finances

- Contribute to create financial stability for individuals
- Committed to promoting sustainable personal finances
- Ensuring that people make sound financial decisions



DNB's support of global sustainability initiatives

Initiative	Significance and role
United Nations Sustainable Development Goals	 <ul style="list-style-type: none"> DNB endorsed the United Nations Development Goals in 2016, a joint working plan to end poverty, reduce inequalities and stop climate change by 2030. The United Nations Sustainable Development Goals comprise 17 goals and 169 targets. The goals seek to provide a common global direction for countries, the business community and civil society.
United Nations Global Compact	 <ul style="list-style-type: none"> DNB is a long-standing supporter of Global Compact, an important compass for companies' global corporate social responsibility (CSR) work.
United Nations Environment Programme Finance Initiative (UNEP FI)	 <ul style="list-style-type: none"> DNB participates in one of UNEP FIs working groups whose mandate is to develop practical guidelines to help financial institutions assess risk in their credit and investment portfolios relating to carbon sensitivity
The OECD's guidelines for multinational companies	 <ul style="list-style-type: none"> For DNB, the OECD's guidelines are fundamental both for the Group's governing documents for CSR and for its practical work
The UN Guiding Principles on Business and Human Rights	 <ul style="list-style-type: none"> The Group's activities shall not violate the rights of others, and human rights principles are laid down in DNB's policy for corporate social responsibility. The United Nations Guiding Principles on Business and Human Rights are also reflected in the guidelines for ethical investments and play a key role in DNB's exercise of ownership rights
Principles for Responsible Investment (PRI)	 <ul style="list-style-type: none"> DNB participates in the initiative to show its commitment to responsible and sustainable investment operations, to benefit from a global investor network and to receive suggestions to improve internal processes
Global Reporting Initiative (GRI)	 <ul style="list-style-type: none"> GRI has developed an internationally recognised standard for the reporting of economic, environmental and social conditions which DNB finds suitable for its own operations DNB uses the GRI Standards reporting framework

DNB's support of global sustainability initiatives

Initiative	Significance and role
<p>The Equator Principles</p> 	<ul style="list-style-type: none"> ▪ DNB adopted the Equator Principles in 2008 and has since used this framework to manage environmental and social issues in project finance ▪ 2014, the Equator Principles were extended to apply to project-related advisory services, project-related corporate loans and bridge loans. DNB also uses the extended framework.
<p>CDP</p> 	<ul style="list-style-type: none"> ▪ DNB reports to CDP to help improve the quality of reporting key environmental information such as the emission of greenhouse gases. ▪ CDP enables DNB's investors to compare the Group's environmental work and results with those of others
<p>The Norwegian forum for responsible and sustainable investments (Norsif)</p> 	<ul style="list-style-type: none"> ▪ DNB wishes to contribute to promoting knowledge of and further developing the field of responsible investing ▪ DNB is represented on the association's Board of Directors
<p>Green Bond Principles</p> 	<ul style="list-style-type: none"> ▪ DNB signed the principles in May 2014. ▪ DNB has used Green Bond Principles both when arranging green bonds for customers and when issuing the Group's own green bonds
<p>RE100</p> 	<ul style="list-style-type: none"> ▪ DNB DNB joined RE100 in 2016 and is thus committed to procuring 100% of its consumed electricity from renewable sources of energy ▪ DNB signed the principles in May 2017.
<p>The Responsible Ship Recycling Standard (RSRS)</p> 	<ul style="list-style-type: none"> ▪ DNB wished to raise the bar in the industry related to working conditions and environmental issues. ▪ RSRS members recognize that ship recycling is part of the shipping industry supply chain, and share concerns that unsustainable shipbreaking can imply adverse environmental and social impacts.
<p>Task Force on Climate Related Financial Disclosure (TCFD)</p> 	<ul style="list-style-type: none"> ▪ DNB signed supporting letter of the initiative in July 2017 ▪ DNB is one of 16 banks that, together with UNEP-FI, is set out to pioneer practical approaches to implementing the new forward-looking framework

DNB's Corporate Governance model is underpinned by a four-tiered framework

Governing documents:

Level 1: Governance Principles

- Purpose and Values
- Code of Conduct
- CSR Principles
- Risk Appetite Principles

Level 2: Policies

- Supplier management Policy
- Risk management Policy
- Compliance Policy
- Operational excellence Policy
- Financial governance and reporting Policy
- Human resources Policy
- Communication Policy
- Security Policy

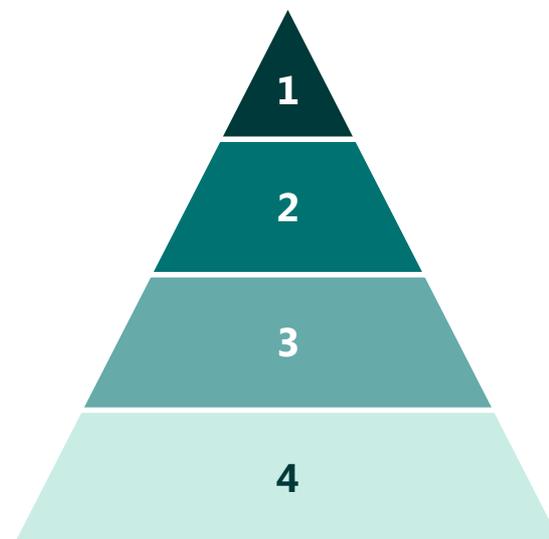
Level 3: Standards

- All the documents at level 3 are linked to one or more policies
- Guidelines are included at level 3

Level 4: Instruction and Rules

- The lowest level in the hierarchy of governing documents comprises instructions and rules
- Examples: Personnel Manual and Accounting Manual

- Level 1: Governance Principles
- Level 2: Policies
- Level 3: Standards
- Level 4: Instruction and Rules



Disclaimer

- This material has been prepared on the basis of the information provided by DNB Bank ASA (referred to as "DNB Bank") and public available sources. DNB ASA – the holding company of the DNB group is referred to as "DNB " in this presentation.
- This material is presented solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments and should not be treated as giving investment advice. It has no regard to the specific investment objectives, financial situation or particular needs of any recipient. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein. It should not be regarded by recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this material are subject to change without notice and DNB Bank is not under any obligation to update or keep current the information contained herein. In addition, institutions mentioned in this material, their affiliates, agents, directors, partners and employees may make purchases and/or sales of the Notes as principal or agent or may act as market maker or provide investment banking or other services in respect of the Program or the Notes which may be issued from time to time thereunder. DNB, the Arranger and the Dealers and their respective affiliates, agents, directors, partners and employees accept no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this material.
- The Notes are not to be offered or sold in any jurisdiction in circumstances in which the distribution of this document or the Notes would be prohibited in such jurisdiction. This document must not be acted on or relied on by persons who are not eligible to invest in the Notes. Any investment or investment activity to which this communication relates is available only to persons eligible to invest in the Notes and will be engaged in only with such persons.
- Furthermore, you should consult with your own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that you deem it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of an investment in the Notes which may be offered from time to time) based upon your own judgment and advice from such advisers as you deem necessary and not upon any view expressed in this presentation.