

Transaction Update:

DNB Boligkreditt AS (Legislation-Enabled Mortgage Covered Bonds)

April 13, 2026

Reference rating level	aa+	Jurisdiction-supported rating level	aaa	Maximum achievable CB rating	aaa	Covered bond rating	
Resolution regime uplift	+2	Assigned jurisdictional support uplift	+1	Assigned collateral support uplift	0	AAA/Stable	
Systemic importance	Very Strong	Jurisdictional support assessment	Very Strong	Over-collateralization adjustment	--	Rating constraints	aaa
Resolution counterparty rating	AA-			Liquidity adjustment	--	Sovereign risk	aaa
Issuer credit rating	AA-			Potential collateral-based uplift	+4	Counterparty risk	aaa

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As a starting point of the analysis, we may use the issuer credit rating on the relevant parent or guarantor when the issuer is not rated but belongs to a group with a rated parent or payments under the covered bonds are guaranteed by another rated entity.

Credit Highlights

Overview

Key strengths

High issuer credit rating (ICR) on DNB Boligkreditt AS (DNBB) allows the program to achieve 'AAA' ratings at a jurisdiction-supported rating level (JRL).

The program benefits from six unused notches of uplift, which will protect the rating on the covered bonds ("Obligasjoner Med Fortrinnsrett") in the event of a downgrade of the issuer up to six notches, all else remaining equal.

The application of our updated covered bonds criteria allows the program to achieve 'AAA' ratings based on the jurisdictional support analysis and the coverage of the legal minimum overcollateralization (5%). In our previous analysis, the program required the coverage of 'AAA' credit risk (3.5% at the time) to achieve 'AAA' ratings, subject to the legal minimum overcollateralization (see "[Methodology For Rating Covered Bonds](#)," July 25, 2025).

The target credit enhancement (TCE) decreased and 'AAA' credit risk remained stable under our updated criteria. The TCE determines the overcollateralization commensurate with the maximum collateral-based uplift of four notches above the JRL and considers the program's asset-liability maturity mismatch (ALMM risk). The lower TCE is driven predominantly by our lower refinancing asset spread assumptions when modeling refinancing risk under our updated criteria. Accordingly, in our cash flow modeling, we applied a target asset spread of 205 basis points (bps) for the first three years and a base-case asset spread of 55 bps thereafter (compared to 440 bps until the final maturity of the covered bonds previously). In addition, we no longer apply a spread compression stress under our updated criteria, given its limited materiality on 'AAA' credit risk and the TCE results.

We have updated our counterparty risk assessment. Under our new criteria, we apply a forward-looking assessment of the issuer's maintenance of credit support to address commingling risk. However, this did not affect our analysis as we did not size commingling risk in our previous review because it is structurally addressed in this program. Additionally, our updated counterparty risk assessment no longer limits the number of unused notches compared to our previous review, where the number of unused notches was limited to four.

The program benefits from six unused notches of uplift. As the program achieves 'AAA' ratings at the JRL, we no longer remove one notch for uncommitted overcollateralization as we consider the issuer's maintenance of the legal minimum overcollateralization as a legally binding commitment to maintain overcollateralization commensurate with the current ratings. Additionally, our counterparty risk assessment no longer limits the number of unused notches. These two factors increased the number of unused notches of uplift to six from four in our last review. These six unused notches mean that we could lower the ICR on DNBB by up to six notches without lowering the ratings on the covered bonds, all else being equal.

The Norwegian banking sector exhibits stable economic risk. Norway's economic resilience, ample fiscal flexibility, and supportive labor market developments will continue to support banks' credit standing and sound risk-adjusted profitability. We will monitor growth developments, however, as pressures for mainland corporates and households could resurface and pressure Norwegian banks.

Banking industry risk is stable. Conservative regulatory standards and supervision, coupled with a favorable innovative environment, will continue to support the banking sector's resilience. Norway's central bank lowered its key policy rate to 4% in 2025, being the next revision in May 2026. While net interest income is expected to decline when interest rates are lowered, banks in Norway are well-diversified across fee-generating business lines, which are expected to reinforce their stable earnings capacity (see "[Banking Industry Country Risk Assessment: Norway](#)," April 30, 2025).

Outlook

Under our covered bonds criteria, we derive the starting point of our covered bond program analysis from the long-term ICR on the parent, DNB Bank ASA (AA-/Stable/A-1+). Our stable outlook on our ratings on DNBB's legislation-enabled mortgage covered bonds reflects the six unused notches of uplift would protect the covered bond ratings following a downgrade of DNB Bank up to six notches, considering all else unchanged.

Program Description

DNBB is wholly owned by DNB Bank, a member of DNB Group, the largest banking group in Norway and the third largest in Scandinavia. In our view, DNB Bank benefits from its leading position in the Norwegian market and has access to a strong deposit base that has been outgrowing its loan book. DNB Bank maintains a loan book representative of its market position, with mortgages and other retail loans representing about 40% of gross lending, and corporate loans representing about 60% as of Sept. 30, 2025. Bolt-on acquisitions reinforce its market position and will support non-interest income. Also, DNB continues to be a market leader when it comes to digital offerings and transformation within Norway, which enable vigilant cost efficiency measures. We think, DNB also benefits from its leading deposit franchise in the Norwegian market and has access to a strong and stable deposit base, with core customer deposits representing about 53% of the funding base at the end of Q3 2025. DNB's deposit franchise is complemented by frequent issuance in both the domestic and international bond markets (about 45% of the funding base), where the bank continues to enjoy strong recognition for both secured and unsecured bonds.

DNBB's €60 billion covered bond program was originally established in 2007 following the enactment of the Norwegian covered bond law. If DNB Bank were to default, the cover pool assets would benefit this program's covered bondholders and potential derivative counterparties before any other creditors. Covered bondholders will have a pro rata claim on the cover pool assets if DNB Bank becomes insolvent. The program's structure has not changed materially since our previous review.

Table 1

Program overview*

Jurisdiction	Norway
Legal framework	Financial Institutions Act
Redemption profile	Hard and soft bullet
Underlying assets	Residential mortgages and loans to housing cooperatives
Outstanding covered bonds (bil. NOK)	487.55
Available credit enhancement as reported (%)	51.16
Available credit enhancement adjusted (%)**	44.99
Credit enhancement commensurate with the rating 'AAA' (%)	5
Legal overcollateralization (%)	5
Assigned collateral support uplift	0
Total unused notches	6

*Based on collateral data and covered bonds outstanding as of Dec. 31, 2025. **After removing set-off risk on loans granted to employees. NOK--Norwegian krone.

Table 2

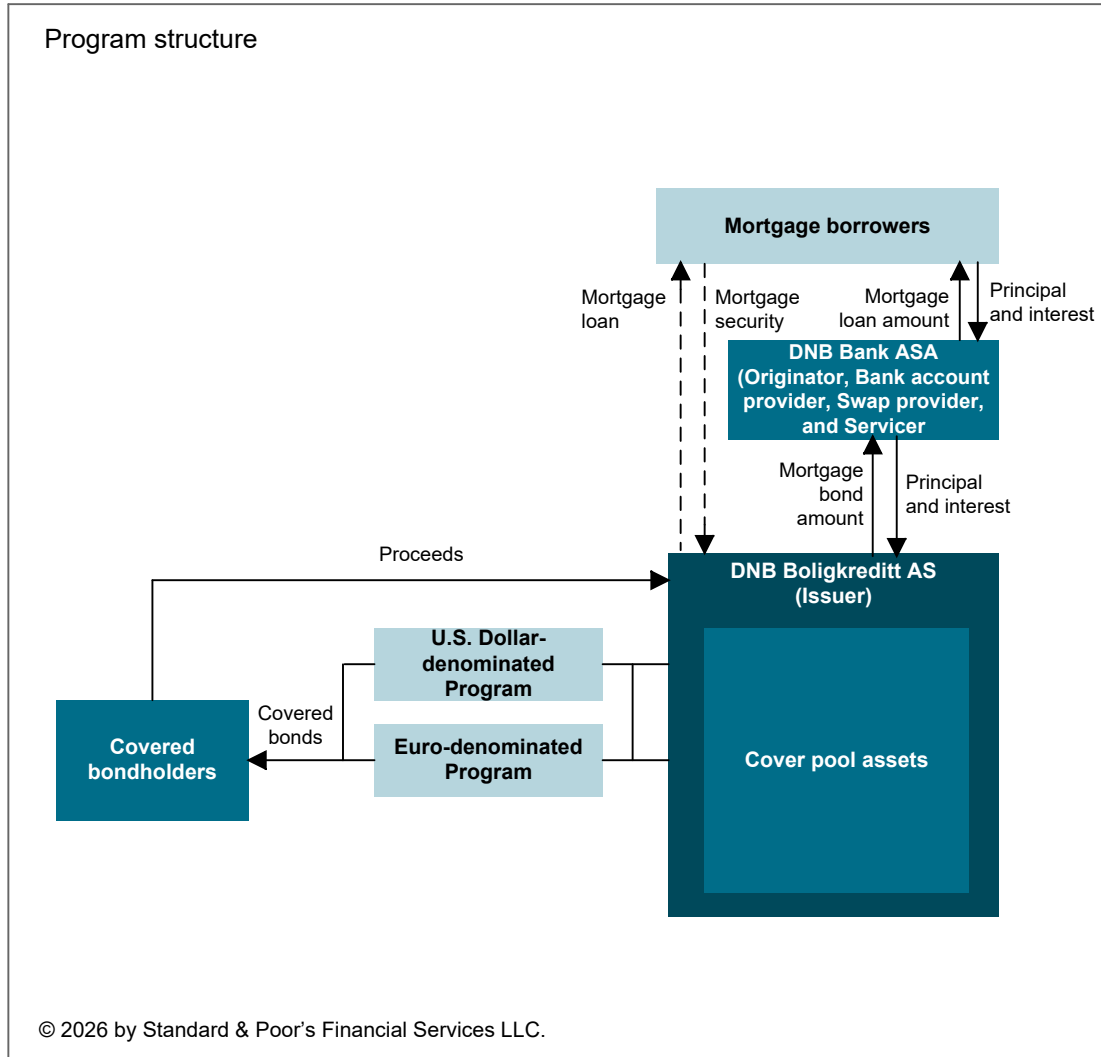
Program participants

Role	Name	Rating	Rating dependency
Issuer	DNB Boligkreditt AS	NR*	Yes
Originator	DNB Boligkreditt AS	NR*	No

Program participants

Role	Name	Rating	Rating dependency
Originator	DNB Bank ASA	AA-/Stable/A-1+	No
Bank account provider	DNB Bank ASA	AA-/Stable/A-1+	No
Swap provider	DNB Bank ASA	AA-/Stable/A-1+	Yes

*We use the long-term issuer credit rating on DNB Bank ASA (AA-/Stable/A-1+) as the starting point for our analysis. NR--Not rated.



To meet the Eurosystem Credit Assessment Framework standards, we publish quarterly surveillance reports for DNB Boligkreditt, which can be found [here](#).

Legal and regulatory risks

DNBB's covered bonds are governed by Norwegian law. Specifically, the Financial Institutions Act encapsulates the main covered bonds regulation, and the Norwegian Ministry of Finance supports the regulations on mortgage credit institutions.

The Norwegian covered bond law defines the eligibility criteria for the type of assets that the cover pool may and may not include. The "Finanstilsynet," the Norwegian Financial Supervisory

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Authority (FSA), appoints an independent inspector to regularly review compliance, oversee the cover pool register, and ensure the cover pool's value always exceeds the issued covered bonds. The law also stipulates that the issuer must be a specialized credit institution with a covered bond license from the Norwegian FSA.

If the issuer becomes insolvent, the legal framework's bankruptcy legislation requires the appointment of a cover pool administrator and gives investors a senior claim over the cover pool assets. The legal framework restricts the type of businesses that mortgage credit institutions can engage in. It includes requirements for the cover pool's composition and the appointment of an independent inspector responsible for the oversight of the cover pool's compliance with the law.

In our legal analysis, we applied our legal criteria and our updated covered bonds criteria (see "[Asset Isolation And Special-Purpose Entity Methodology](#)", May 29, 2025). Our legal and regulatory framework analysis for Norwegian covered bonds indicates that the cover pool's assets are isolated from the bankruptcy or insolvency risk of the issuer, allowing us to rate the covered bond program higher than the long-term ICR on the issuer.

Resolution regime analysis

Our analysis considers whether the applicable resolution regime in Norway increases the likelihood that the issuer will continue servicing its covered bonds, even following a default on its senior unsecured obligations. DNB Bank is domiciled in Norway, which is part of the European Economic Area. A resolution regime similar to the EU's Bank Recovery and Resolution Directive was implemented in Norway on Jan. 1, 2019. We consider mortgage covered bonds to have a very strong systemic importance to Norway. These factors increase the likelihood that the issuer would continue servicing its covered bonds without accessing the cover pool or receiving jurisdictional support, even following a bail-in of its senior unsecured obligations.

Under our updated covered bonds criteria, a very strong systemic importance means that the reference rating level (RRL) is the maximum between two notches above the long-term ICR and the resolution counterparty rating (RCR). Given that the RCR on DNB Bank is at the same level as the ICR ('AA-'), the RRL is 'aa+', which reflects the two-notch uplift from the ICR.

Jurisdictional support analysis

In our jurisdictional support analysis under our updated covered bonds criteria, we determine a JRL, assessing the covered bond program's creditworthiness once we have considered the jurisdictional support level, but before giving credit to the collateral amount. Our jurisdictional support analysis assesses the likelihood that a covered bond program facing stress would receive support from a government-sponsored initiative instead of from the liquidation of collateral assets in the open market. For banks in countries that are members of a monetary union, we also consider support from supranational entities such as the European Central Bank in the eurozone.

Our assessment of the expected jurisdictional support for Norwegian mortgage covered bond programs is very strong. Under our updated covered bonds criteria, this means that the program can receive up to three notches of jurisdictional uplift from the 'aa+' RRL, which leads to an 'aaa' JRL and two unused notches of jurisdictional support uplift.

Operational and administrative risks

Our analysis of operational and administrative risks follows the principles within our updated covered bonds criteria. It assesses whether key transaction parties would be capable of

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managing a covered bond program while any bonds remain outstanding. As a core entity within DNB Bank, DNBB shares the same headquarters in Oslo. The two entities can access the same loan management systems and may share customer files electronically, limiting the scope for operational errors. In our view, DNB Bank's credit procedures align with current market standards.

We view the bank's underwriting criteria as prudent. Under the transaction documents, the cover pool can include mortgages that either DNB Bank or DNBB has originated. In either case, the origination and underwriting process is the same, and follows a five-step process: Application, loan approval, document control, processing of land and establishing legal protection, and disbursement. As part of the underwriting process, checks are performed on the borrower's ability to pay under current conditions, as well as in a rising interest rate scenario.

If a loan becomes nonperforming, DNB Bank first works on a plan with the borrower to ensure that the loan becomes performing again. If this is not possible, it requests the borrower to sell the property voluntarily, as this typically yields a better price. If DNB Bank needs to foreclose on the property, it will initiate forced-sale proceedings and the property will be auctioned, generally within a four- to six-months' liquidation period.

In our opinion, the cover pool's management and loan origination processes do not give rise to any new operational or administrative risks that would constrain the covered bond ratings to the same level as the long-term ICR.

Collateral support analysis

Mortgage market outlook: According to the Norwegian Home Builders' Association, the number of new housing units, started during November 2024-October 2025, was 44% below the estimated future need for housing. Norges Bank forecasts rising annual housing investment growth over the next two years; however, its projected level for 2028 remains lower than that of 2022. We expect this low housing supply to continue supporting house price growth. Since early 2024, house prices started to recover and increased by about 5% year-on-year in September 2025. This is attributed to constrained new construction, limited resale supply, easing interest rates and relaxed equity requirements for house purchases. According to Statistics Norway, housing transactions increased by 8.4% year-on-year in 2025. The Norwegian FSA's mortgage lending survey in 2025 reported an increased demand for residential mortgages and stronger competition among banks during the first three quarters of 2025, followed by a broadly stable trend in Q4 2025 (see "[Norwegian And Finnish Covered Bond Market Insights 2026](#)," March 19, 2026).

Cover pool analysis

While our 'AAA' ratings reflect our jurisdictional support analysis and the coverage of the legal minimum overcollateralization (5%), we performed a collateral support analysis as of Dec. 31, 2025, to determine the number of unused notches of uplift in this program. We based our credit analysis on the loan-level data provided by the issuer as of Dec. 31, 2025. The cover pool comprises prime Norwegian well-seasoned residential mortgage loans and loans to housing cooperatives (see table 3).

In line with our previous review, we performed our residential mortgage loans analysis based on the specific adjustments defined for Norway under the European supplement of our global residential loans criteria (see "[Global Methodology And Assumptions: Assessing Pools Of Residential Loans--Europe Supplement](#)," April 4, 2024, and "[Global Methodology And Assumptions: Assessing Pools Of Residential Loans](#)," Jan. 25, 2019). We analyzed the cover pool's

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housing cooperatives portion using our commercial real estate (CRE) criteria (see "[Methodology And Assumptions: Analyzing European Commercial Real Estate Collateral In European Covered Bonds](#)," March 31, 2015).

We assessed a typical mortgage cover pool's credit quality by estimating the credit risk associated with each loan in the pool, and by applying stresses commensurate with an 'AAA' rating scenario. We then calculated the aggregate risk to assess the cover pool's overall credit quality. To quantify the potential losses associated with the entire pool, we weight each loan's foreclosure frequency and loss severity by its percentage of the total pool balance. The product of the weighted-average foreclosure frequency (WAFF) and the weighted-average loss severity (WALS) estimate the required loss protection (credit coverage), assuming all other factors remain unchanged.

Since our previous review, the WAFF has slightly increased and the WALS has marginally decreased for the total pool. The total WAFF increased to 8.91% from 7.70% previously due to negative factors in the residential loans, such as relatively higher effective loan-to-value (LTV) ratios. This resulted in a higher WAFF of 8.62% in the residential pool from 7.44% in our last review. The WAFF for housing cooperatives, having a base default frequency higher than residential loans but lower than commercial loans, remained stable (17.77% compared with 17.60% in our last review).

Over the same period, for the total pool, the WALS marginally decreased to 29.14% from 29.68%, driven by lower WALS in the residential pool resulting from lower LTV ratios, partially offset by an increase in the percentage of loans with jumbo valuations. The positive effect in total WALS coming from the residential pool has been partially offset by the increased in WALS for housing cooperative loans due to higher LTV ratios.

Table 3

Cover pool composition

Asset type	As of Dec. 31, 2025		As of Sept. 30, 2024	
	Value (Bil. NOK)	% of cover pool	Value (Bil. NOK)	% of cover pool
Residential mortgages	735.79	96.85	726.81	97.47
Housing cooperatives	23.94	3.15	18.90	2.53
Total	759.73	100.00	745.70	100.00

NOK--Norwegian krone.

Table 4

Key credit metrics

	As of Dec. 31, 2025	As of Sept. 30, 2024
Residential loans		
Average loan size (NOK)	2,417,752	2,342,779
Weighted-average current LTV ratio (%)	55.20	54.61
Weighted-average original LTV ratio (%)	62.80	59.32
Weighted-average effective LTV ratio (%)	61.85	58.94
Weighted-average loan seasoning (years)*	5.73	5.73
Balance of loans in arrears (%)	0.00	0.00

Key credit metrics

	As of Dec. 31, 2025	As of Sept. 30, 2024
Residential loans		
Buy-to-let loans (%)	0.04	0.04
Interest-only loans (%)	21.25	21.92
Jumbo valuations (%)	38.14	36.97
Loan to income >5x	60.00	58.29
Housing cooperatives		
Weighted-average whole LTV ratio (%)	32.10	24.62
Geographic concentration: East Norway	38.65	41.97
Credit analysis results:		
Residential loans		
Weighted-average foreclosure frequency (%)	8.62	7.44
Weighted-average loss severity (%)	29.36	30.09
AAA credit coverage (%)	2.53	2.24
Housing cooperatives		
Weighted-average foreclosure frequency (%)	17.77	17.60
Weighted-average loss severity (%)	22.36	13.74
AAA credit coverage (%)	3.97	2.42
Total pool		
Weighted-average foreclosure frequency (%)	8.91	7.70
Weighted-average loss severity (%)	29.14	29.68
AAA credit coverage (%)	2.60	2.29

*Seasoning refers to the elapsed loan term. NOK--Norwegian krone. LTV--Loan-to-value.

Table 5

LTV ratios (residential loans)

Current LTV ratios (%)	As of Dec.31, 2025	As of Sept. 30, 2024
	% of cover pool	
0-60	58.34	57.88
60-70	16.77	20.52
70-80	17.93	18.45
80-90	2.41	1.53
90-100	1.33	0.57
Above 100	3.21	1.05
Weighted-average current LTV ratios	55.20	54.61
Original LTV ratios (%)	As of Dec.31, 2025	As of Sept. 30, 2024
	% of cover pool	
0-60	43.74	48.55
60-70	19.32	19.94
70-80	30.58	30.48
80-90	2.08	0.67

LTV ratios (residential loans)

Current LTV ratios (%)	As of Dec.31, 2025	As of Sept. 30, 2024
	% of cover pool	
90-100	1.15	0.17
Above 100	3.13	0.20
Weighted-average original LTV ratios	62.80	59.32
Effective LTV ratios (%)	As of Dec.31, 2025	As of Sept. 30, 2024
	% of cover pool	
0-60	44.60	46.67
60-70	20.91	22.34
70-80	28.30	30.03
80-90	2.01	0.63
90-100	1.13	0.17
Above 100	3.05	0.16
Weighted-average original LTV ratios	61.85	58.94

LTV--Loan-to-value.

Table 6

Residential loan seasoning distribution*

	As of Dec. 31, 2025	As of Sept. 30, 2024
	% of portfolio	
>0 and <=2years	29.11	26.20
>2 and <=4 years	18.94	23.07
>4 and <=5 years	8.88	8.87
>5 and <=6 years	7.68	6.69
>6 and <=7 years	5.47	5.39
>7 and <=8 years	4.51	4.92
>8 and <=9 years	3.98	4.08
>9 and <=10 years	3.67	3.46
>10 years	17.76	17.32
Weighted-average loan seasoning (years)	5.73	5.73

*Seasoning refers to the elapsed loan term.

Table 7

Geographic distribution of residential loan assets

	As of Dec. 31, 2025	As of Sept. 30, 2024
	% of cover pool	
Top five concentrations		
East	68.87	69.12
West	14.93	14.63
North	7.97	8.10
South	2.66	2.64

Geographic distribution of residential loan assets

	As of Dec. 31, 2025	As of Sept. 30, 2024
Top five concentrations	% of cover pool	
Trondelag	5.57	5.51
Total	100.00	100.00

Table 8

Collateral uplift metrics

	As of Dec. 31, 2025	As of Dec. 31, 2024
Asset WAM (years)	14.04	14.23
Liability WAM (years)	3.90	4.17
Asset-liability maturity mismatch (ALMM)	10.14	10.06
Target asset spread (bps)	205	440
Base case asset spread (bps)	55.00	--
Available credit enhancement reported	51.16	61.87
Available credit enhancement after S&P adjustments	44.99	55.30
AAA credit risk (%)*	3.30	3.11
Credit enhancement commensurate with the AAA rating (%)	5.00	3.11
Required credit enhancement for first notch of collateral uplift (%)*	3.30	3.11
Required credit enhancement for second notch of collateral uplift (%)*	3.30	12.62
Required credit enhancement for third notch of collateral uplift (%)	5.79	17.38
Target credit enhancement for maximum uplift (%)	8.28	22.13
Potential collateral-based uplift (notches)	4	4
Adjustment for liquidity (Y/N)	N	N
Adjustment for committed overcollateralization (Y/N)	Y	Y
Collateral support uplift (notches)-available	4	3

*Subject to the legal minimum of 5%. WAM--Weighted-average maturity.

Table 9

Comparison with other Norwegian covered bond programs

Program name	DNB Boligkreditt	Storebrand
Overview		
Jurisdiction	Norway	Norway
Covered bond type	LCB	LCB
Outstanding assets (bil. NOK)	737.30	53.84
Outstanding covered bonds (bil. NOK)	487.75	46.89
Cover pool composition	Residential: 96.75% Housing Cooperatives: 3.25%	Residential: 99.97% Cash: 0.03%
Rating details		
Issuer credit rating*	AA-/Stable/A-1+	A+/Stable/A-1
Reference rating level	aa+	aa

Comparison with other Norwegian covered bond programs

Program name	DNB Boligkreditt	Storebrand
Overview		
Jurisdictional-supported rating level	aaa	aaa
Covered bonds rating	AAA/Stable	AAA/Stable
Total unused notches	6	4
Credit analysis		
Mortgage WAFF (%)	8.91	11.69
Mortgage WALs (%)	29.14	28.37
Overcollateralization (OC)		
Available OC reported (%)	51.16	14.81
Available OC adjusted (%)	44.99	14.81
Asset default risk (%)**	3.30	3.23
Target credit enhancement (%)	8.28	5.71
OC consistent with current rating (%)	5.00	5.00
Cash-flow analysis as of	12/31/2025	9/30/2025

*As a starting point of the analysis, we may use the issuer credit rating on the relevant parent or guarantor when the issuer is not rated but belongs to a group with a rated parent or payments under the covered bonds are guaranteed by another rated entity. ** Floored at legal minimum. WAFF--Weighted-average foreclosure frequency. WALs--Weighted-average loss severity. OC--Overcollateralization. LCB--Legislation-enabled covered bonds.

Although we assign our 'AAA' ratings to the program based on the JRL and the coverage of the legal minimum overcollateralization (5%), we performed our cash-flow analysis as of December 2025, to determine the number of unused notches. Our analysis of the covered bonds' payment structure shows the adjusted available credit enhancement of 44.99% significantly exceeds the TCE of 8.28% required for the maximum collateral-based uplift of four notches.

The covered bonds are exposed to refinancing risk because structural features, such as pass-through liabilities, or soft-bullet covered bonds, do not address ALMM risk fully. To assess market value risk, we applied target asset spreads and a base asset spread in our cash flow analysis as outlined in our updated covered bonds criteria. The program has swaps to mitigate the interest-rate risk for the cover pool up to the mortgages' interest reset date (applicable if mortgages reset in more than three months).

According to our updated criteria, the maximum potential collateral-based uplift on a covered bond program above the JRL is four notches. We adjust the maximum collateral-based uplift in the absence of six months' liquidity coverage and overcollateralization commitment. Liquidity is covered by law, and as 'AAA' ratings are reached based on jurisdictional support (JRL is 'aaa'), we consider the issuer's maintenance of the legal minimum overcollateralization as a legally binding commitment to maintain overcollateralization commensurate with the current ratings. Therefore, the maximum collateral-based uplift is four notches.

By applying credit and cash flow stresses, we calculated a TCE of 8.28% (down from 22.13% previously) as of Dec. 31, 2025. The reduction is mainly driven by the lower target asset spread and the application of our base-case asset spread to model refinancing costs under our updated covered bond criteria, partially offset by marginally higher ALMM risk and slightly higher credit coverage.

The overcollateralization required to cover 'AAA' credit risk is 3.30%, in line with 3.11% previously, both floored at the legal minimum. The overcollateralization commensurate with the 'AAA' rating is the 5% legal minimum required by law. As the program is not required to make use of any

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notches of collateral-based uplift to achieve 'AAA' ratings, there are four unused notches of collateral-based uplift. These, added to the two unused notches of jurisdictional support uplift, result in a total of six unused notches of uplift.

Counterparty risk

We analyze counterparty risk under our updated covered bonds criteria. We have identified several counterparty risks exposing the covered bonds. However, as these are structurally addressed in line with our counterparty risk assessment within our updated covered bonds criteria, they do not constrain the ratings from a counterparty risk perspective.

Bank account provider

DNB Bank is the program's originator and bank account provider. An account agreement covers the issuer's accounts with DNB Bank. We consider the replacement trigger of 'A' to be in line with our counterparty risk analysis, and therefore counterparty risk from the account provider does not constrain our covered bond ratings. Additionally, as part of our analysis of operational and administrative risks, we apply a forward-looking assessment of the issuer's maintenance of credit support. Considering the issuer's creditworthiness and the stable available credit enhancement, we also view this risk as sufficiently mitigated.

Swaps

Swaps mitigate interest rate and currency mismatches between the mortgage loans in the cover pool and the payments due to the covered bondholders. A swap agreement governs the program's asset swaps and liability swaps, providing various replacement options if the swap provider, DNB Bank, is downgraded below 'A'. We consider the swaps as related counterparties with senior termination payments. The current swap agreement documentation addresses derivatives counterparty risks as per our criteria, supporting 'AAA' ratings.

On the asset side, fixed-rate loans, accounting for 5.20% of the pool, are swapped to floating (three-month Norwegian interbank offered rate; NIBOR). Most assets (94.80%) pay a standard variable rate (SVR) and are not swapped. On the liability side, any fixed-rate bonds are swapped to floating before being swapped into Norwegian krone (if issued in a foreign currency), with the floating component based on three-month NIBOR. Even if most assets pay SVR and liabilities pay NIBOR on a post swap basis, we do not model basis risk in our cash flow results given its limited impact on our results.

We consider the swap agreements to be in line with our counterparty risk assessment under our updated covered bonds criteria, and therefore counterparty risk from the swaps does not constrain our covered bond ratings or the number of unused notches. Additionally, under our updated covered bonds criteria, if there is an effective replacement framework in the derivative agreements and counterparties are rated at least 'BBB-' (the RRL for the swap provider, DNB Bank is 'aa+'), counterparty risk does not constrain the covered bond ratings.

Sovereign default risk

We analyze sovereign default risk under our "[Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions](#)," Jan. 30, 2019. DNBB's covered bonds are issued in a country that is not a member of a monetary union, and the program does not include structural coverage of refinancing needs over a 12-month period. Therefore, the maximum rating above the sovereign would be two notches of uplift. As Norway is rated 'AAA', sovereign default risk does not constrain the ratings.

Environmental, social, and governance

Environmental and social credit considerations influence the credit quality of DNBB's cover pool in a broadly similar way to other Norwegian issuers we rate. Governance factors are a neutral consideration in our credit analysis of DNBB's mortgage covered bonds as, according to our updated covered bonds criteria, we do not adjust for an overcollateralization commitment when achieving 'AAA' ratings at the JRL level.

Related Criteria

- [Methodology For Rating Structured Finance Securities Above The Sovereign](#), April 10, 2026
- [Methodology For Rating Covered Bonds](#), July 25, 2025
- [Counterparty Risk Methodology](#), July 25, 2025
- [Asset Isolation And Special-Purpose Entity Methodology](#), May 29, 2025
- [Global Methodology And Assumptions: Assessing Pools Of Residential Loans--Europe Supplement](#), April 4, 2024
- [Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities](#), Dec. 22, 2020
- [Global Methodology And Assumptions: Assessing Pools Of Residential Loans](#), Jan. 25, 2019
- [Criteria - Structured Finance - Covered Bonds: Methodology And Assumptions: Analyzing European Commercial Real Estate Collateral In European Covered Bonds](#), March 31, 2015
- [Global Derivative Agreement Criteria](#), June 24, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Global Covered Bond Insights Q2 2026](#), March 25, 2026
- [Norwegian And Finnish Covered Bond Market Insights 2026](#), March 19, 2026
- [S&P Global Ratings Definitions](#), Dec. 16, 2025
- [Covered Bonds Outlook 2026: Rating Trends Broadly Balanced](#), Dec. 2, 2025
- [Norway](#), Sept. 8, 2025
- [Covered Bonds Primer](#), Sept. 2, 2025
- [Glossary of Covered Bond Terms](#), April 27, 2018

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