

Equity story

December 2022

DNB

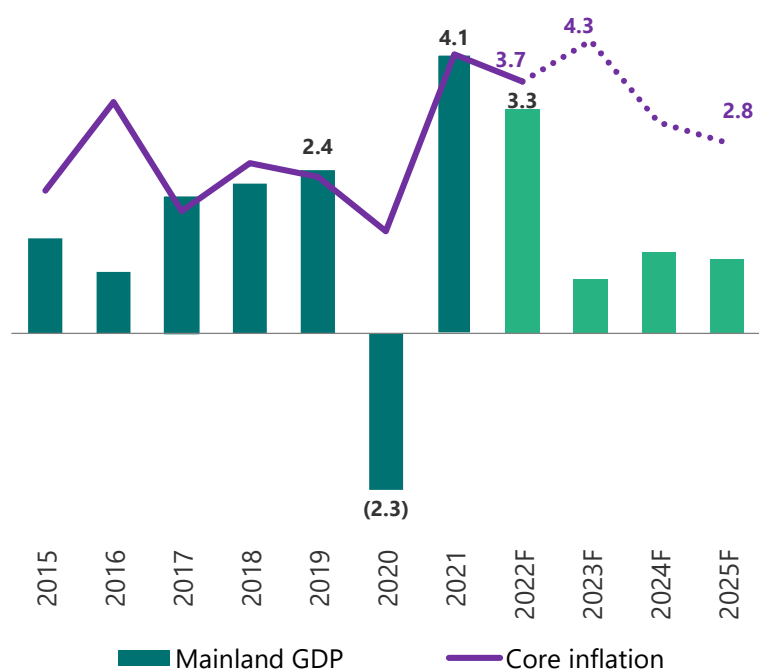


Continued high activity in the Norwegian economy

- Mainland GDP expected to decrease temporarily as efforts to combat inflation are implemented
- Growing corporate investments expected to keep unemployment at low level

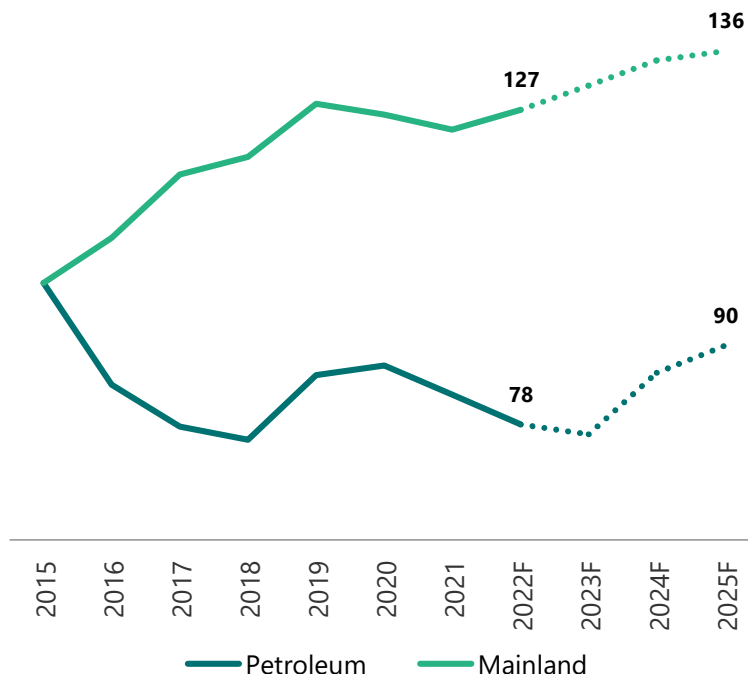
Gross domestic product (GDP) and inflation

Actual and DNB Markets forecast
Year-on-year growth (YOY), per cent



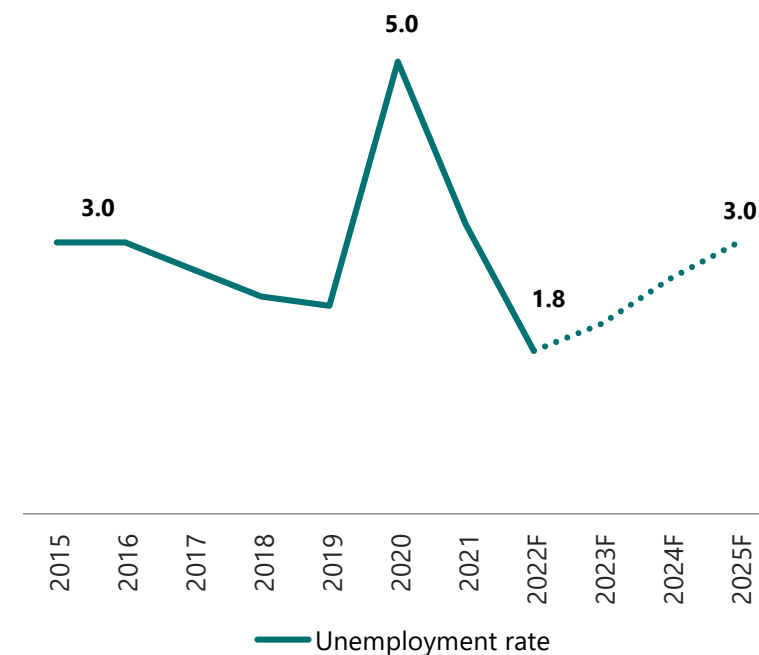
Corporate investments in Norway expected to increase

Index, 2015=100



Unemployment

Actual and DNB Markets forecast
Per cent



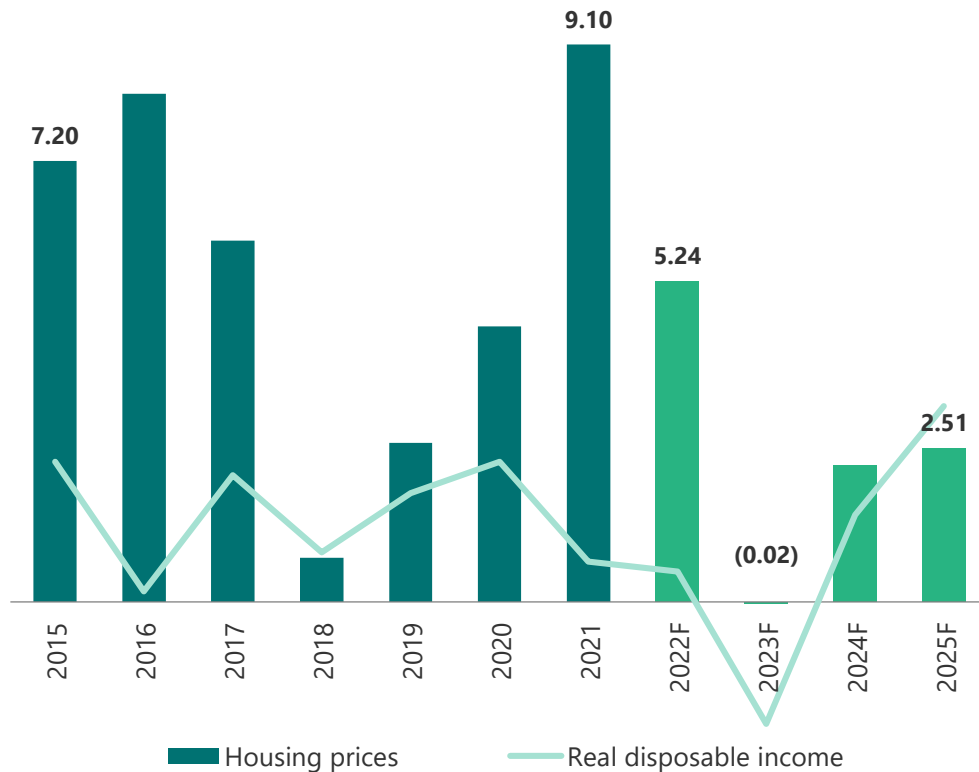
80% of DNB group's revenue comes from the Norwegian units

Robust Norwegian households

- Norwegian households have built more than NOK 260 billion in excess savings in the past three years
- Leverage towards house prices remains modest
- Norwegians have proven strong ability and habit to amortize on their mortgage loans

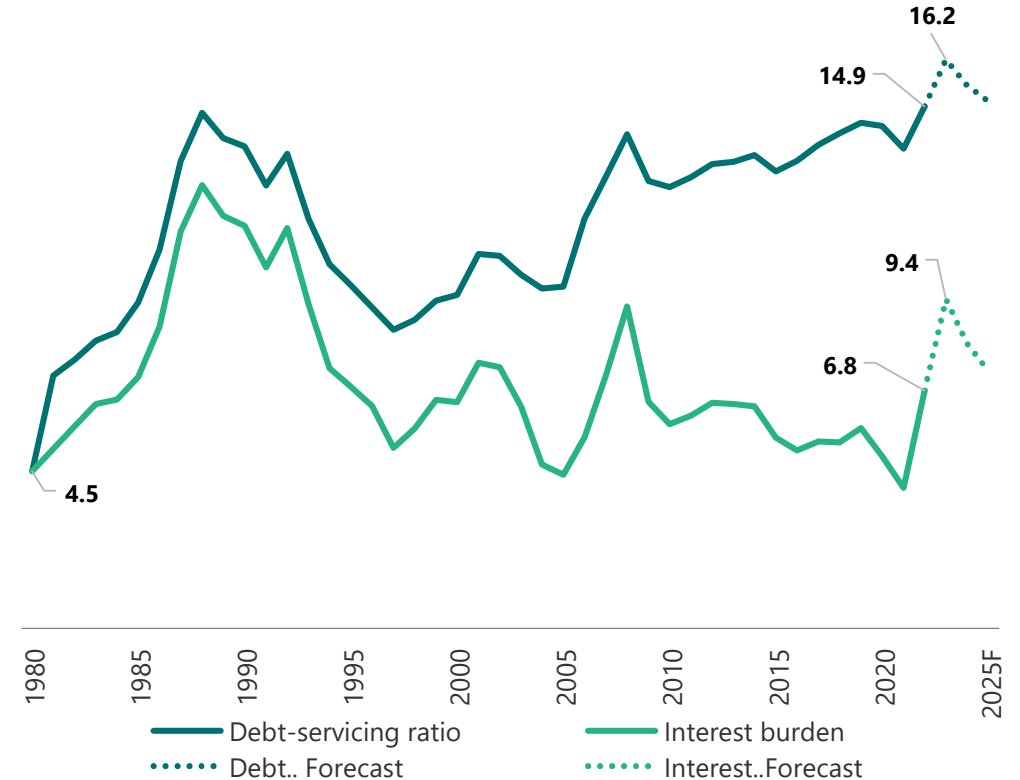
Housing prices and disposable income

Actual and DNB Markets forecast
Per cent growth



Debt-servicing ratio of Norwegian households

Per cent of disposable income

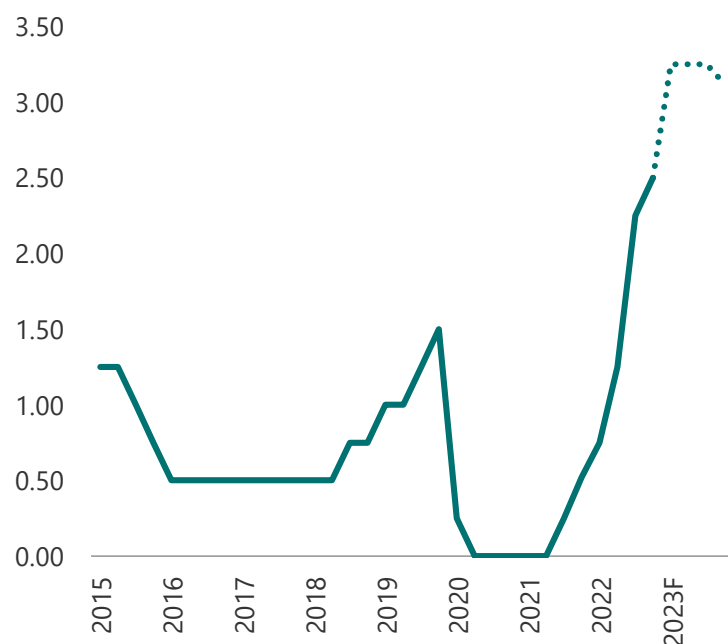


Three stabilisers in Norwegian economy

- The Norwegian central bank has proactively utilised monetary policy to mitigate pressure
- An independent and floating currency serves as a natural hedge
- The Norwegian Government Pension Fund Global provides ample fiscal flexibility to manoeuvre if necessary

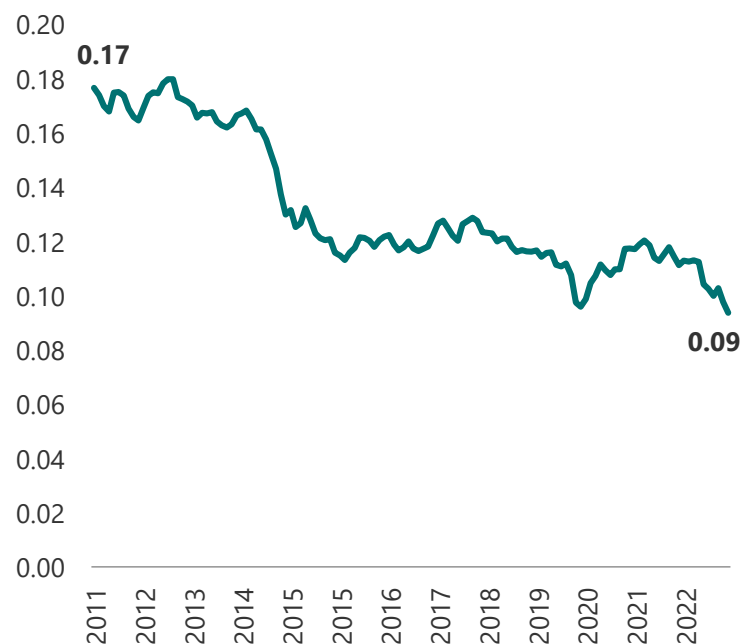
Monetary policy

Key policy rate, actual and DNB Markets forecast
Per cent



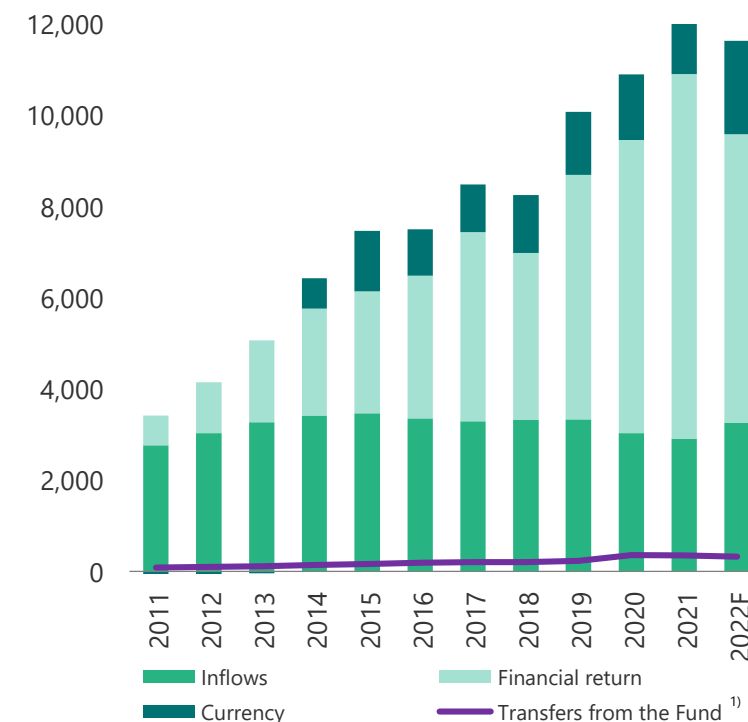
Floating currency

Development in USD/NOK



Strong Government Pension Fund Global

NOK billion



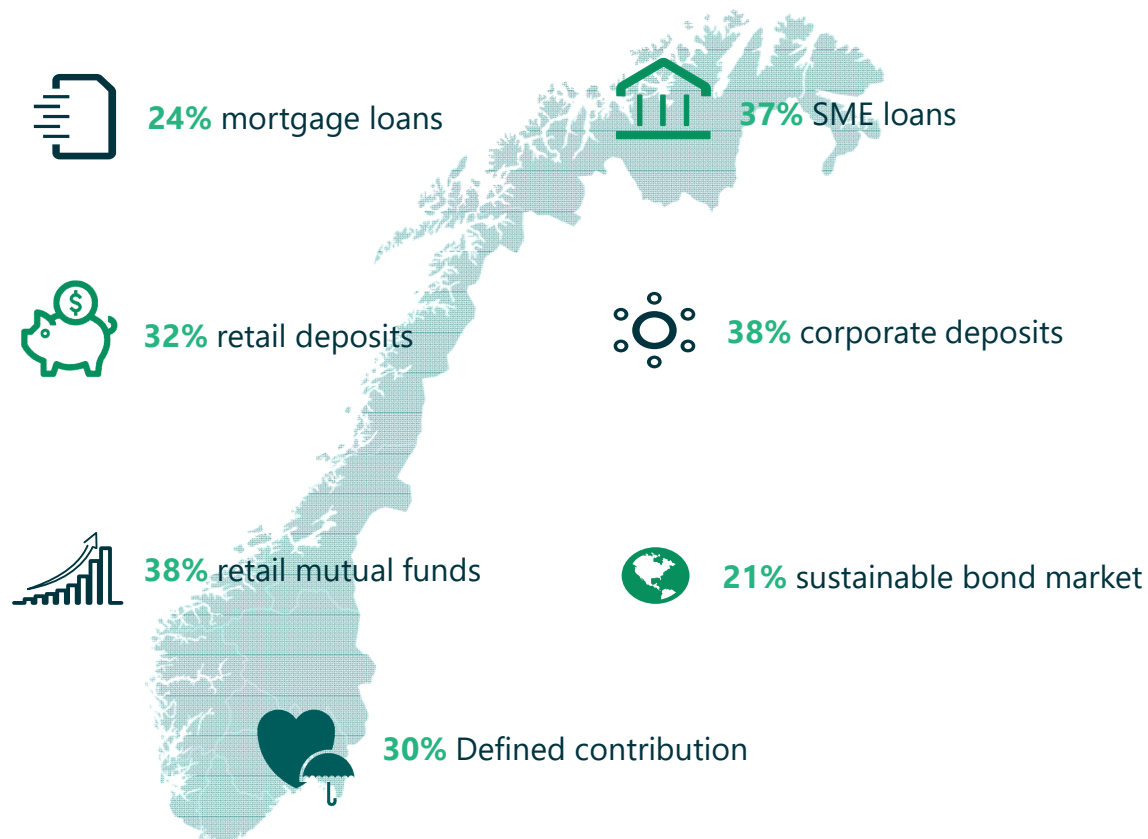
1) Fiscal rule: Transfers from Government Pension Fund Global should not be higher than expected real return, estimated at 3 per cent p.a. (reduced from 4 per cent in 2017).

Sources: Norges Bank (Norwegian central bank), DNB Markets forecast, NBIM (Norges Bank Investment Management), proposed national budget for 2023 (Norwegian Government).

DNB is a broad-based financial institution and by far the largest in Norway

A full-service financial institution and market leader in Norway

Market shares in Norway



Partnership

The dominant mobile wallet in Norway

- 91% of Norwegians 13 years and older have the app
- More than 80% are active users
- Expansion through Vipps and MobilePay merger (approved October 2022):
 - From 4 to 11 million consumers
 - From 120 000 to 400 000 shops and e-commerce outlets
 - Active in Norway, Denmark and Finland
- DNB owns 45% of Vipps



Leading non-life insurance provider

- Joint venture with SpareBank 1 alliance
- Third largest insurance provider in Norway
- DNB owns 35% of Fremtind

Fremtind

Financial targets 2022–2025



Key performance indicator

Cost/income ratio

< 40%

Capital level

CET1 capital ratio

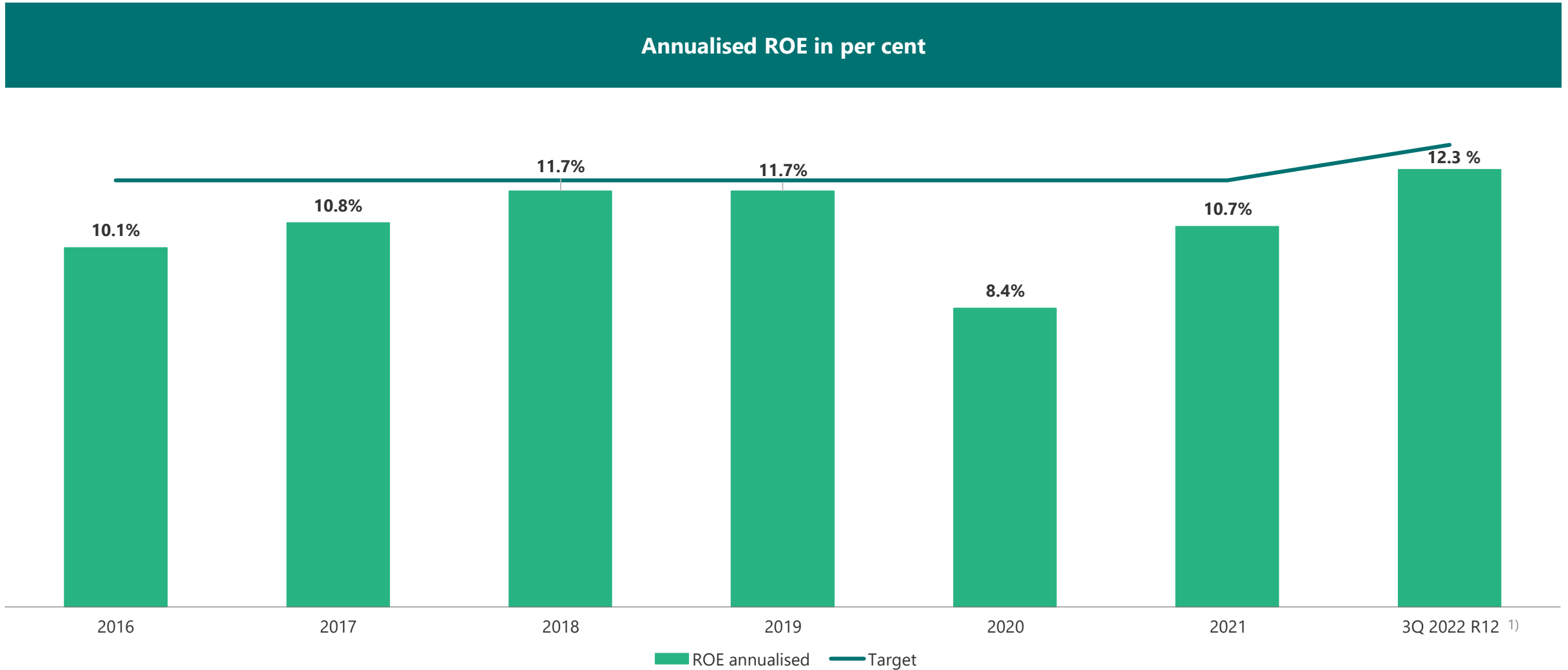
> 17.0%¹⁾

Dividend policy

> 50% payout ratio

1) The FSA's expectation including pre-pandemic counter-cyclical buffer requirements across geographies (with effect from 1Q23).

On track to deliver on our ROE ambition

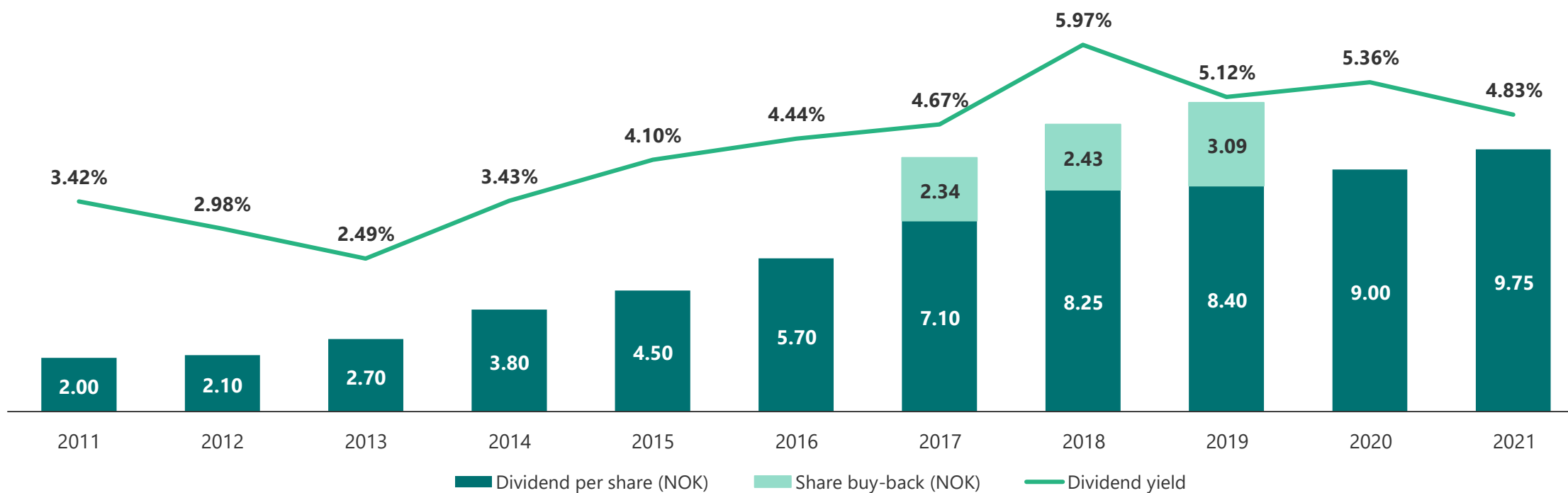


1) Trailing 12-month figures as at 3Q22.

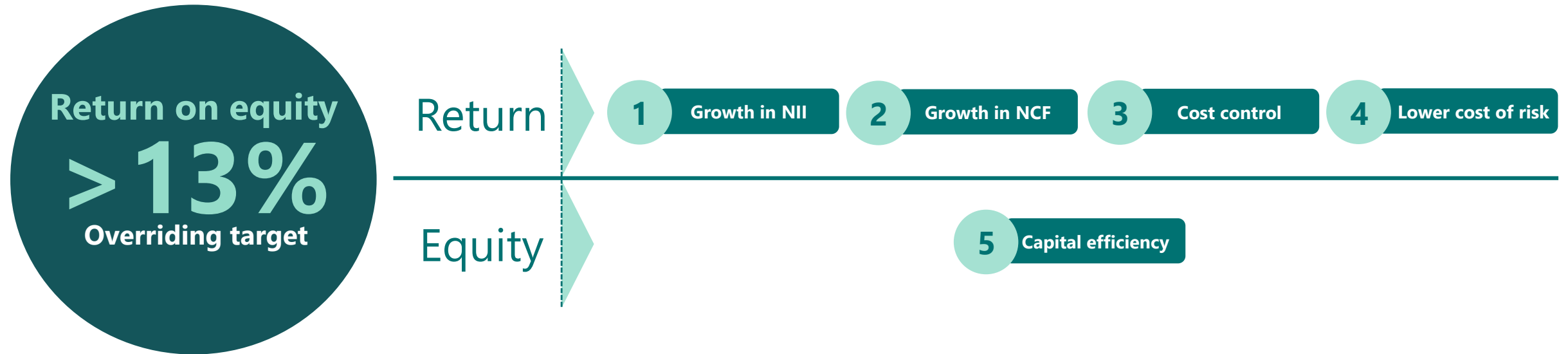
Consistently delivering on our dividend policy reflecting our robust capital position

- DNB's overall objective is to create long-term value for its owners, partly through a positive share price development and partly through a predictable dividend policy
- The Group's long-term dividend policy is to have a payout ratio of more than 50 per cent of profits in cash dividends. DNB's ambition is to increase the nominal dividend per share every year. Excess capital will be paid out to the owners through a combination of cash dividends and share buy-backs

Dividend per share and dividend yield



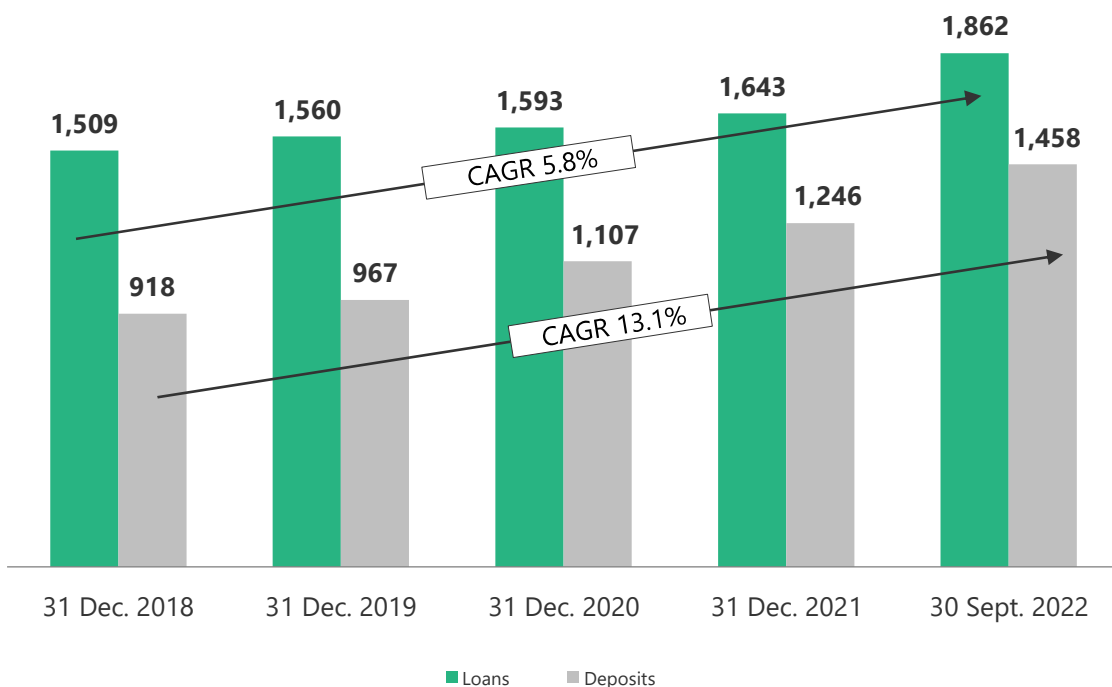
A return on equity above 13 per cent is our main priority



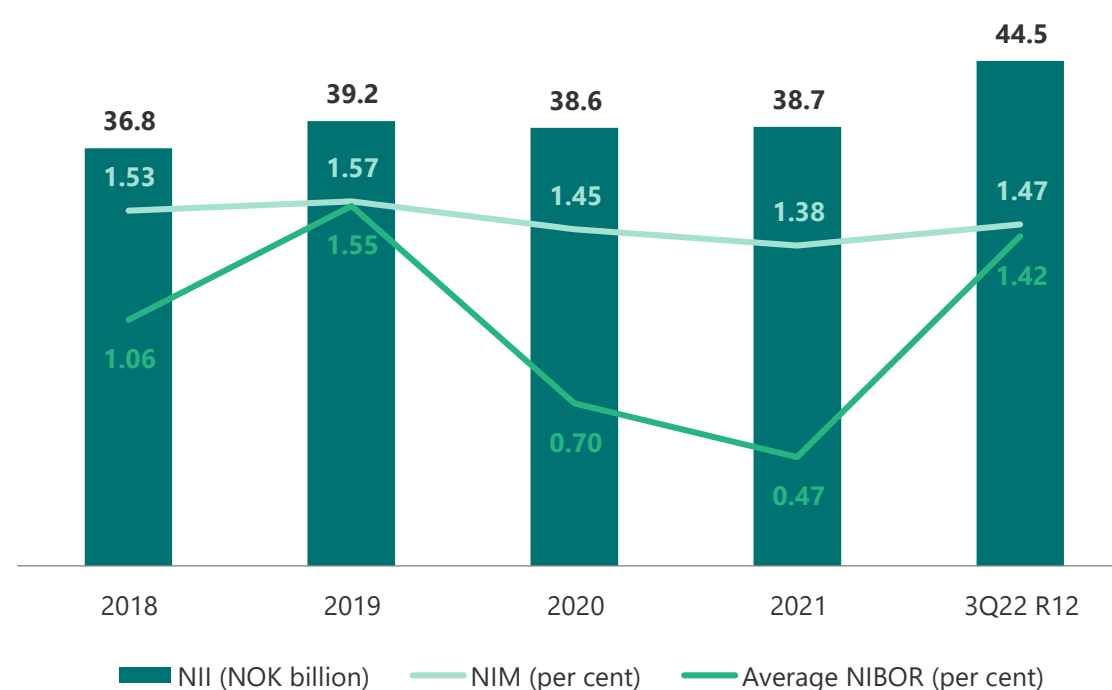
NII increase supported by profitable growth and customer repricing

- Loan and deposit growth combined with repricing generated strong result in competitive market. Strong tailwind into 2023 from full annualised effects from implemented repricings.
- Well positioned to capture future growth within personal customers through combined DNB and Sbanken, and within corporate customers through strong position in SME segment and industries with growth potential
- Maintaining long-term ambition of annual loan growth of 3–4 per cent

Volume growth in customer segments
NOK billion



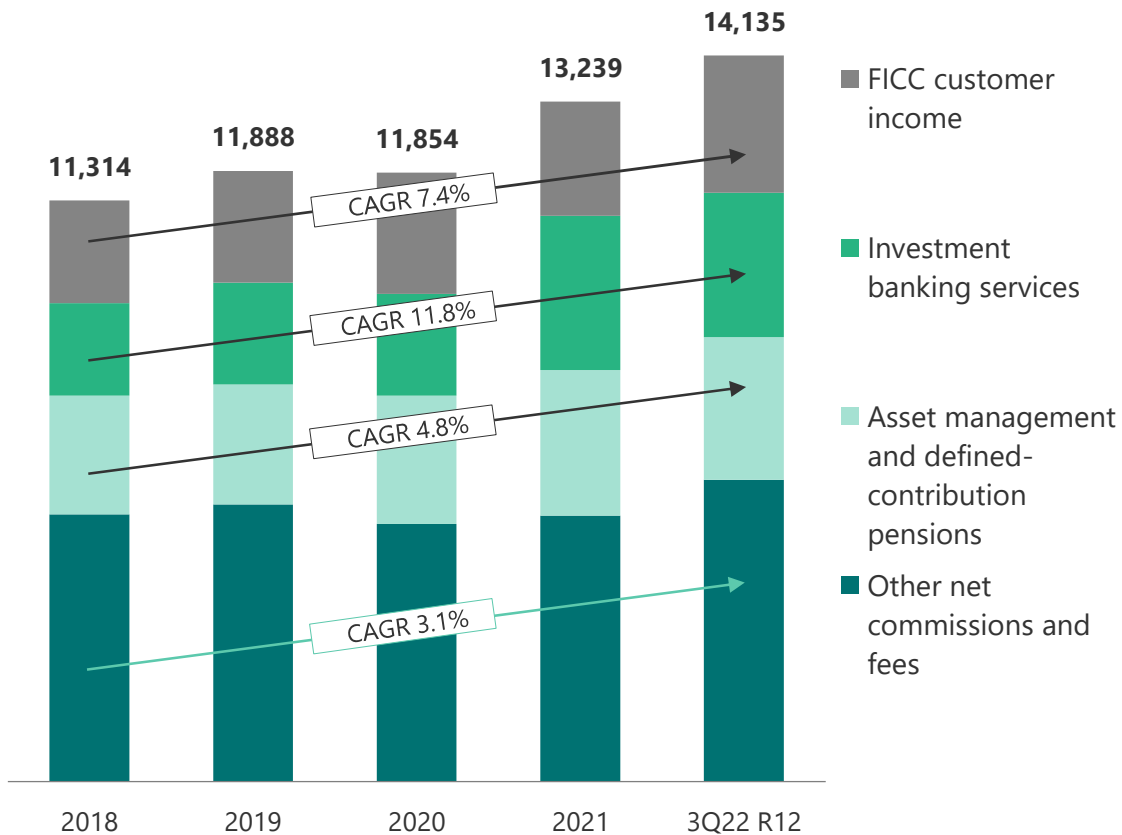
Development in NII and NIM¹⁾
NOK billion, per cent



1) NIM: Net interest margin. NIBOR: Norwegian interbank offered rate.
CAGR: Compound annual growth rate

Strengthened and diversified product offering provides solid foundation for income growth

Other operating income from customers NOK million



Well positioned to deliver on ambition of 4–5 per cent through-the-cycle growth

- Increased FICC¹⁾ customer income in Markets driven by higher volumes and competitive pricing
- Broad-based product offering ensuring recurring income from real estate broking, money transfer and banking services, guarantee commissions and sale of insurance products
- Strengthened position across products, industries and geographies within investment banking services
- Well positioned for further growth in savings and pensions through strong footprint in Norwegian market

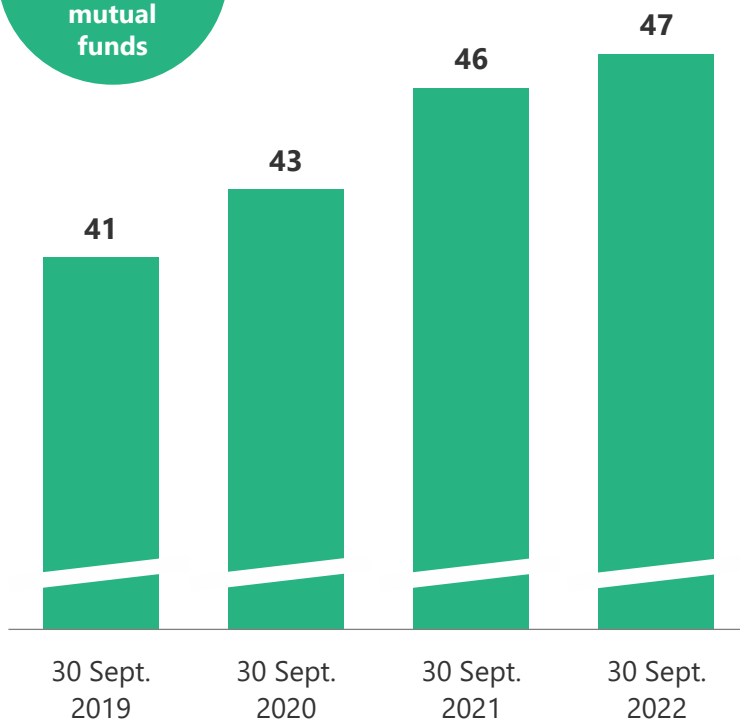
1) FICC: Fixed income, currencies and commodities.

Strong growth momentum and substantial potential within retail savings

Share of mutual fund customers with savings schemes

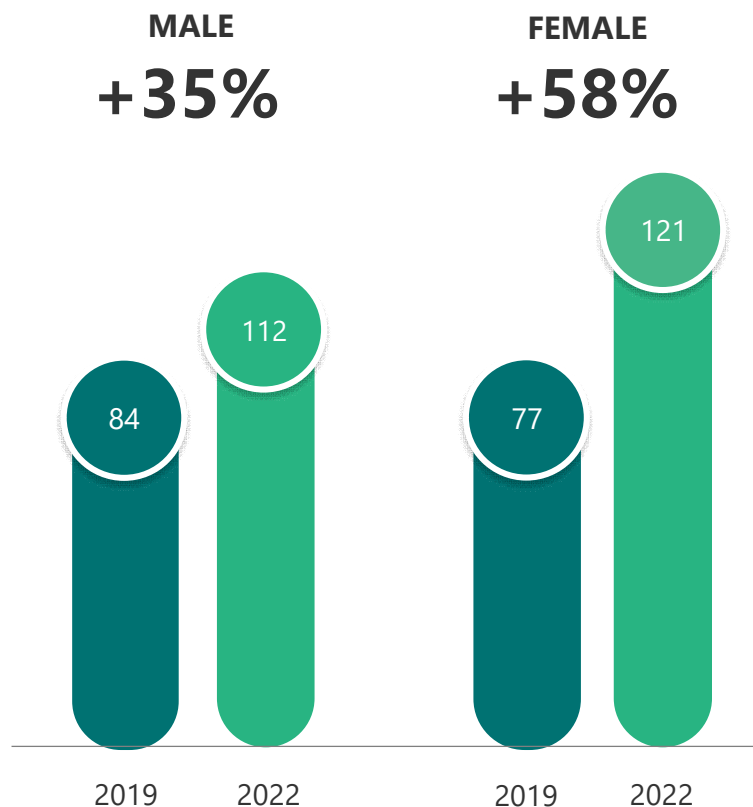
Per cent

38.3%
market share¹⁾
mutual funds



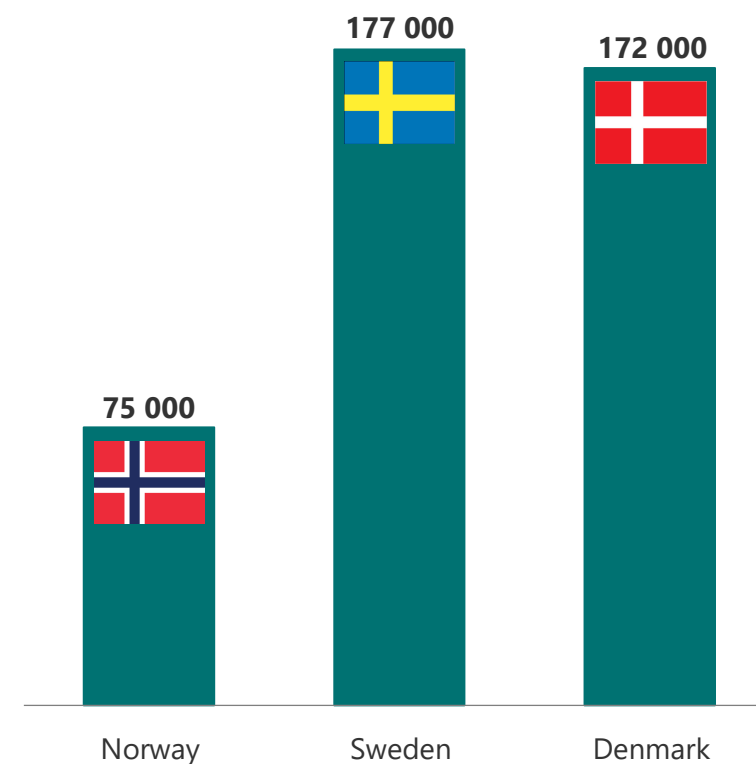
Savings²⁾ boosted by #girlsinvest

Mutual fund customers with saving schemes, thousands



Swedes and Danes save >2 times more in mutual funds than Norwegians³⁾

Mutual fund savings per inhabitant, NOK



1) VFF, DNB personal customers, Sept. 2022.

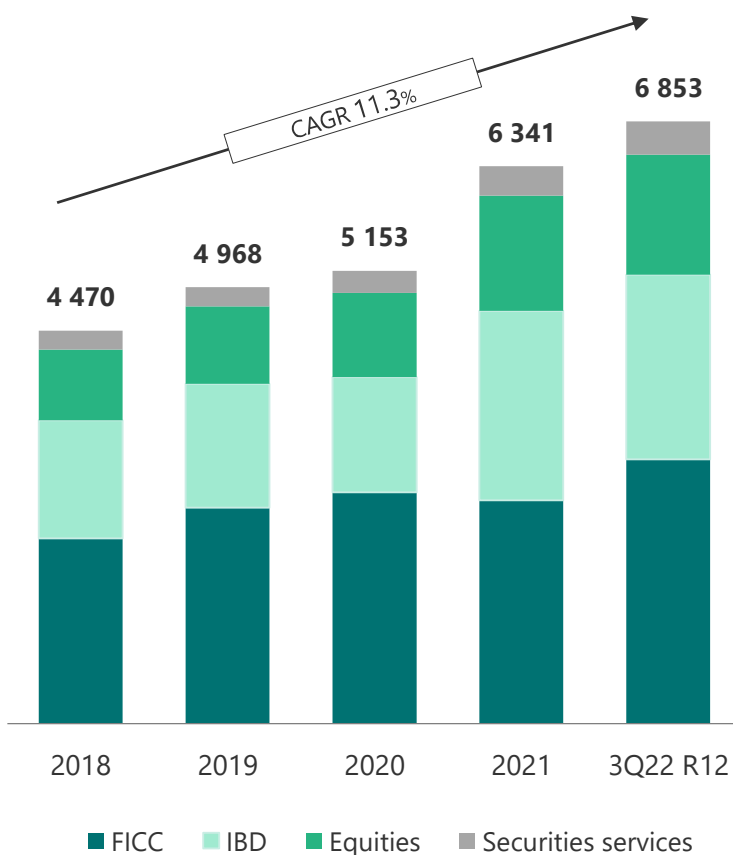
2) Excluding Sbanken.

3) Source: Household composition statistics, Eurostat 2021.

Growth in capital-light customer income set to continue in DNB Markets

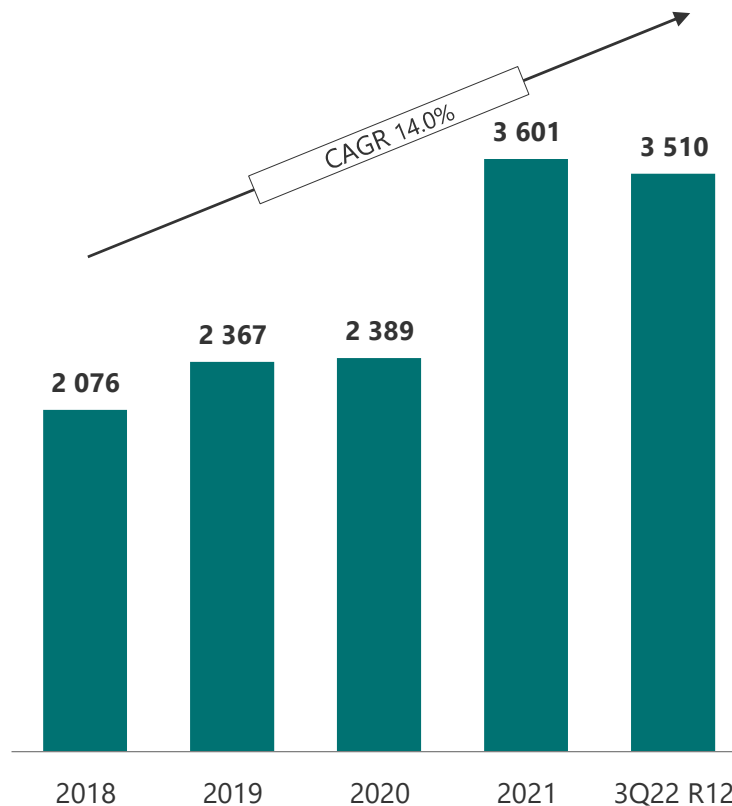
Customer income

NOK million per division



Net commissions and fees

NOK million



Key drivers for further growth



Strengthening business across existing products, industries and geographies



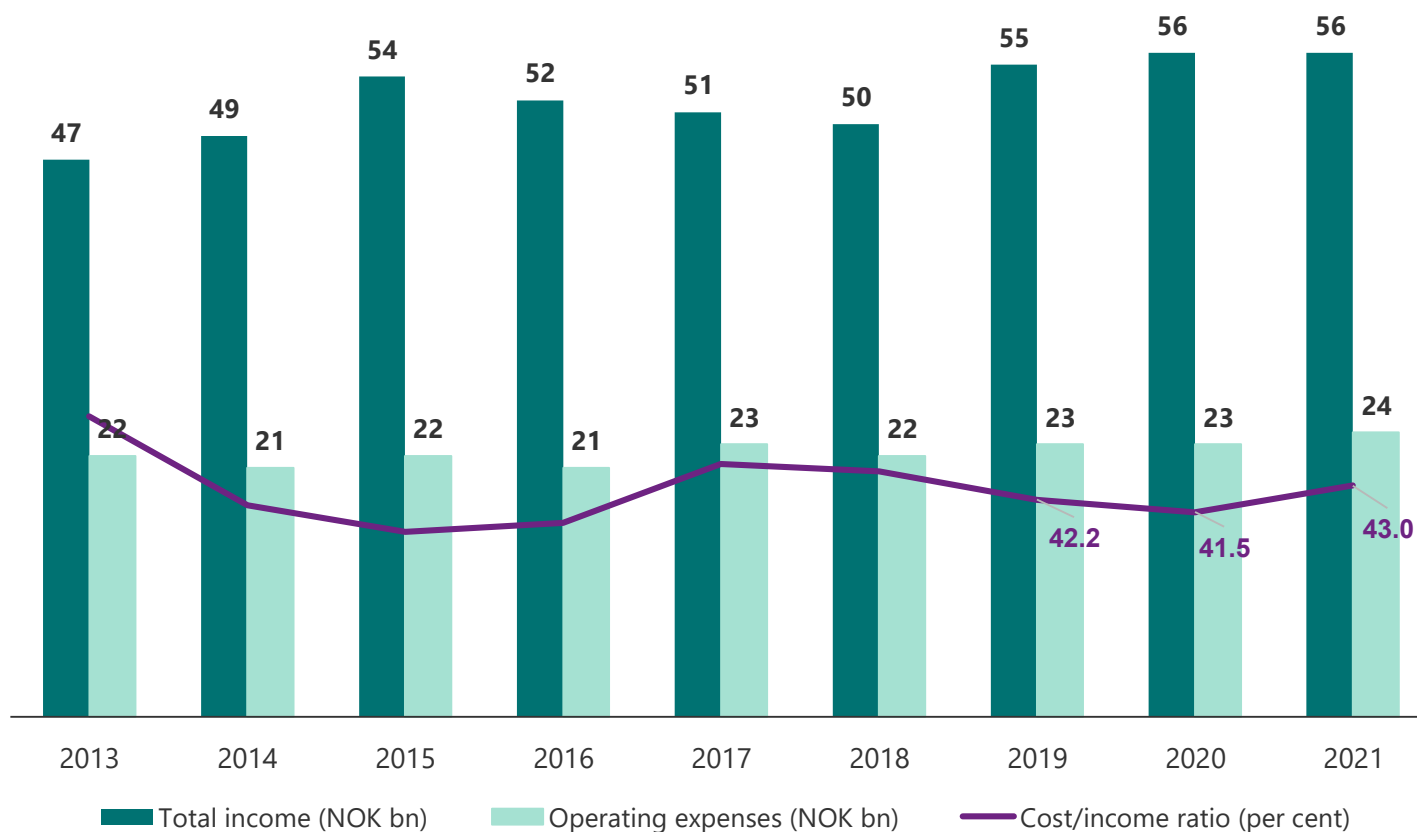
Expanding position further in Swedish market



Being a driving force in the sustainable transition

Our cost/income target below 40 per cent stands

Cost initiatives and positive jaws to improve cost/income level



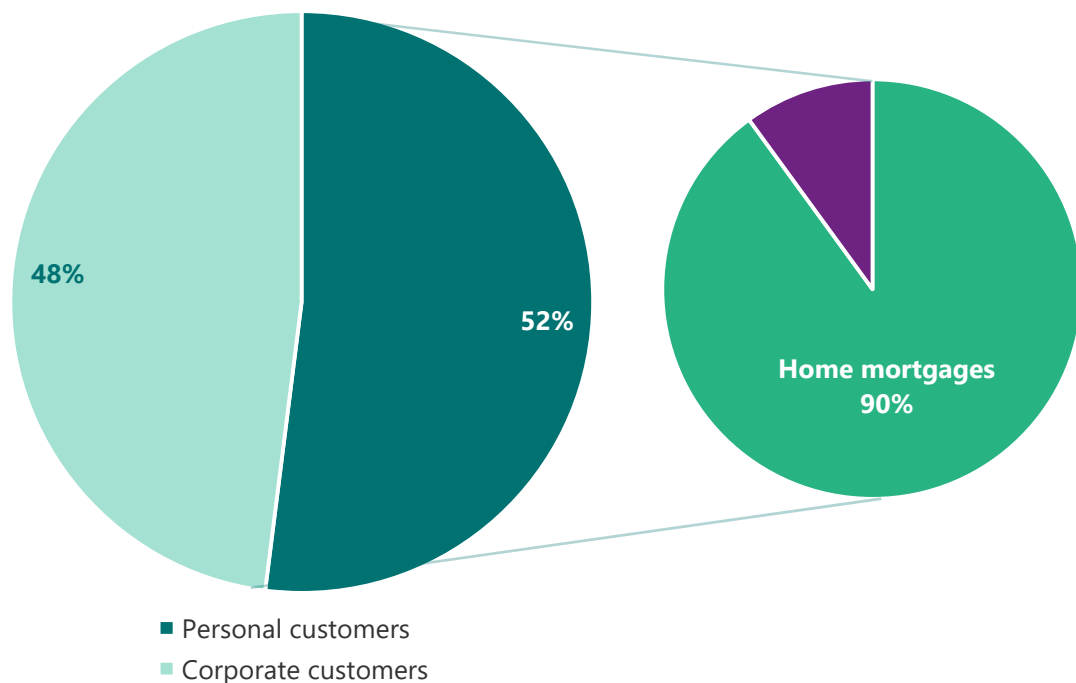
Committed to deliver on cost control

- In combination with income growth, we will execute on cost initiatives to reach our cost/income target
- Planned cost initiatives for 2022–2025 primarily within:
 - Automation and operational efficiency: NOK 1 000-1 400 million
 - Supplier cost: NOK 500-600 million

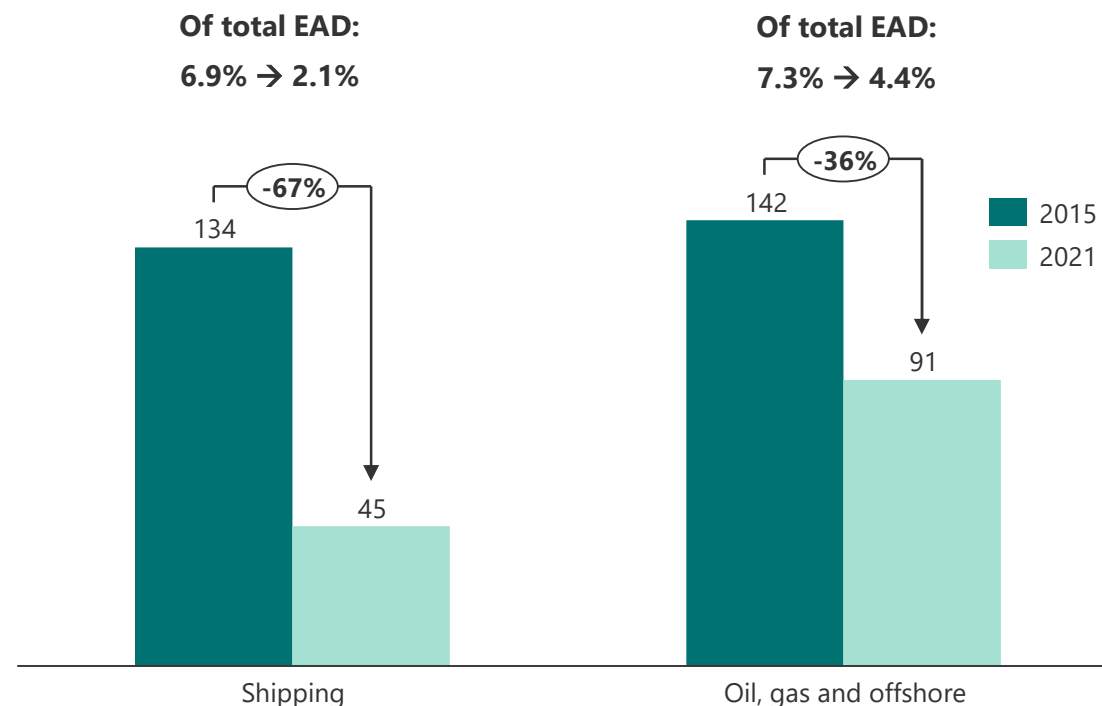
An overall robust and well-diversified portfolio

- Solid portfolio quality with 99.1 per cent of exposure at default in stages 1 and 2
- Personal customers portfolio constitutes 52 per cent of DNB's net EAD
- Robust personal customers portfolio with home mortgages counting for 90 per cent of EAD with an average LTV of 54 per cent
- Reduced exposure towards cyclical industries

Total loan portfolio
Net exposure at default (EAD)



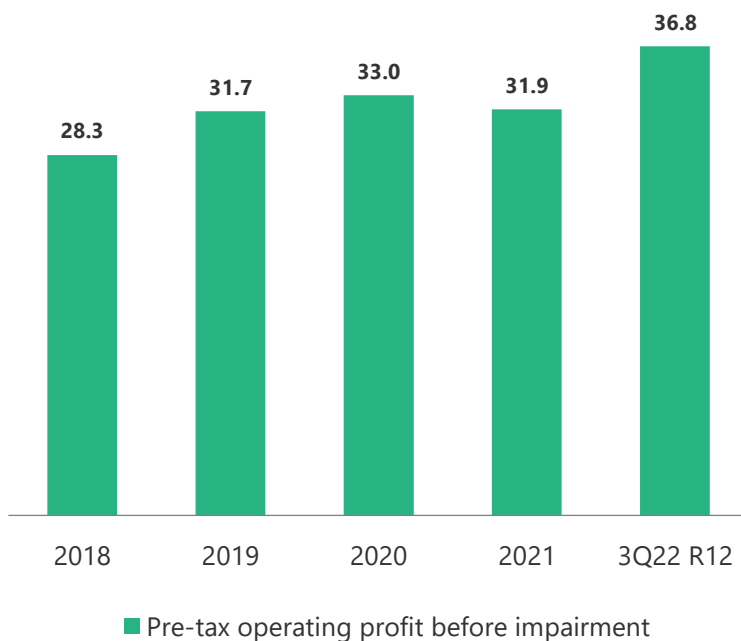
Exposure at default by industry segment
Net exposure at default (EAD) in NOK billion



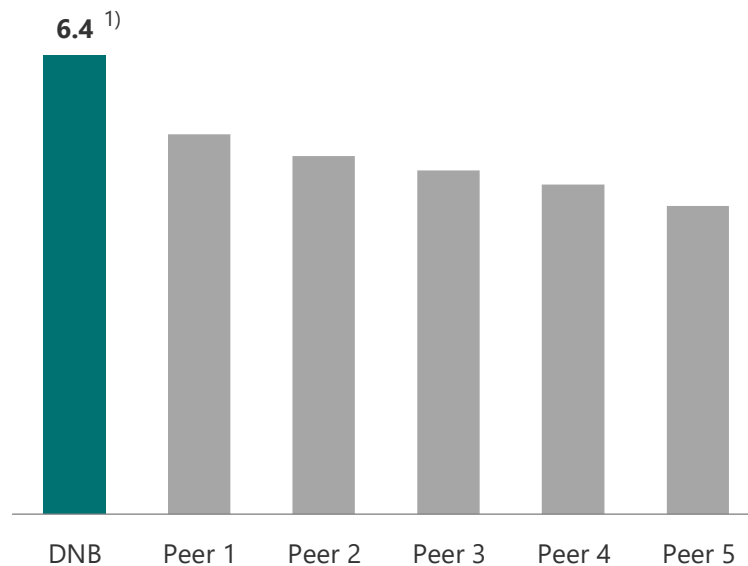
Robust and resilient capital position

- Strong profitability provides recurring through-the-cycle capital generation
- High leverage ratio compared to peers
- Profit generation and conservative internal ratings-based (IRB) models result in limited downside in the European Banking Authority (EBA) stress test

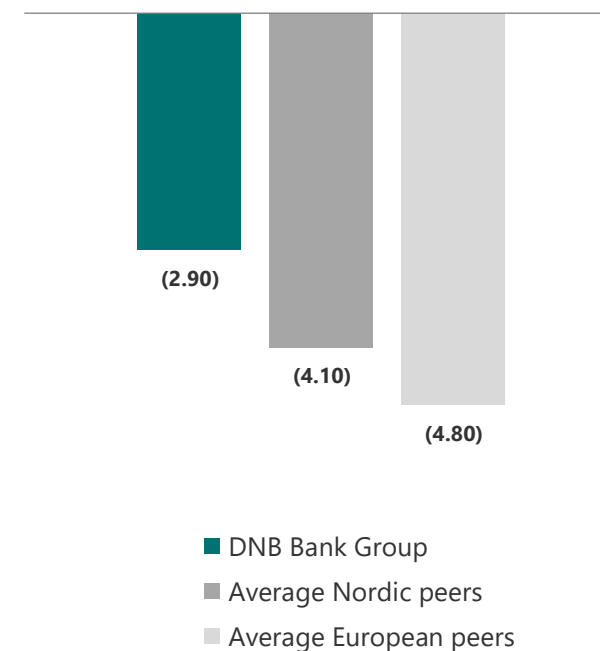
Profitability supporting capital stability
NOK billion



Leverage ratio vs. Nordic peers
As at 30 September 2022, per cent



EBA stress test 2021
Reduction in CET1 capital ratio, per cent

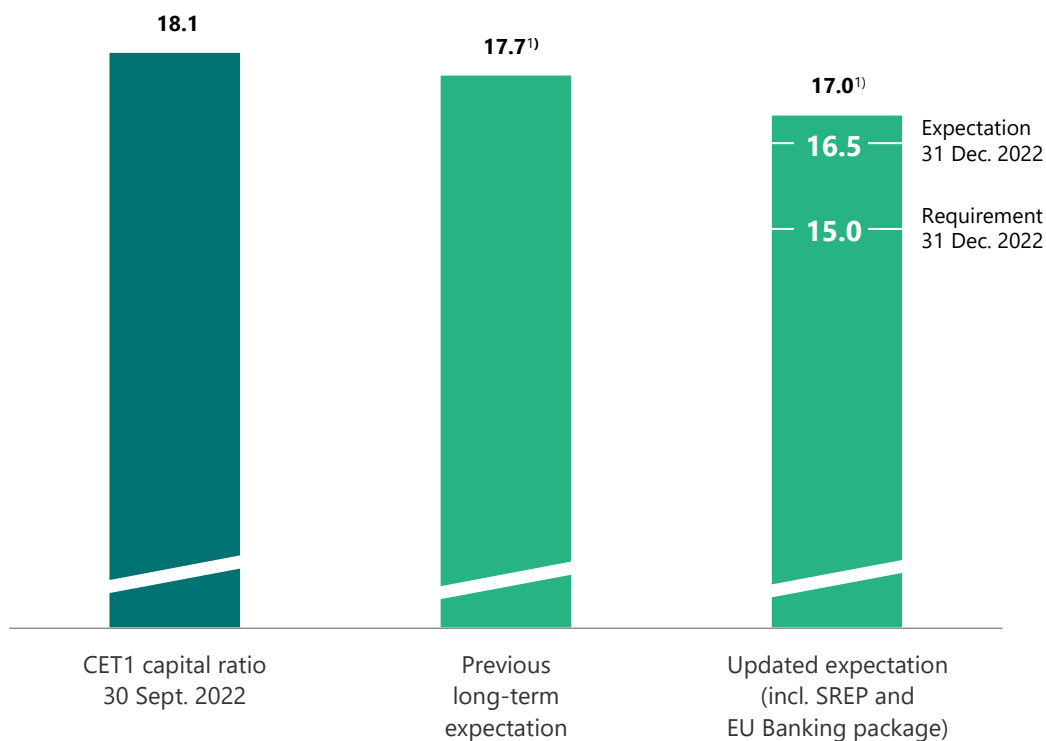


1) Leverage ratio at 7.4% excluding central bank deposits

Solid capital position enables delivery on our dividend policy

CET1 capital ratio – status and expectations

Per cent



SREP 2022 and updated capital guidance

- Supervisory Review and Evaluation Process (SREP)
 - Pillar 2 requirement: 2.1 per cent (up 20 bps)
 - Pillar 2 CET1 requirement: 1.2 per cent (down 70 bps due to implementation of EU Banking Package)
 - Pillar 2 guidance (P2G): 1.5 per cent (unchanged)
- CET1 capital ratio long-term expectation: 17.0 per cent from 31 March 2023
- Sbanken portfolio expected to be included in IRB models in 2024
 - Estimated CET1 capital ratio increase of ~25 basis points
- Dividend policy stands
 - Payout ratio >50 per cent of net profits in cash dividends
 - Ambition of annual increase in nominal dividend per share
 - Share buy-backs used to optimise capital position

1) Expectation including full counter-cyclical buffer across geographies.

DNB will be a driving force for a sustainable transition

- ESG is integrated in corporate governance structures and industry strategies
- We work proactively with our customers in the transition process
- DNB consistently ranks in the upper quartile in ESG rankings

DNB is financing the climate transition and sustainable value creation



DNB is a driving force for diversity and inclusion



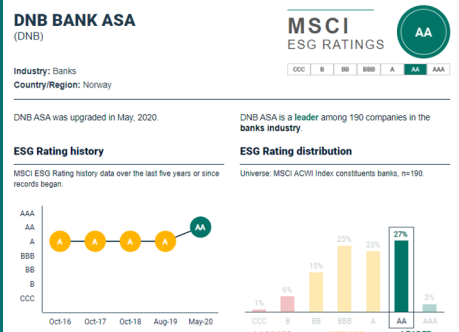
DNB combats financial crime and contributes to a secure digital economy



Corporate ESG
Performance

RATED BY
ISS ESG

Prime



ESG Risk Rating

COMPREHENSIVE ?

15.6 Low Risk

Negligible 0-10 Low 10-20 Medium 20-30 High 30-40 Severe 40+

Ranking

Industry Group (1st = lowest risk)

Banks

109 out of 999

Universe

Global Universe

1514 out of 14537

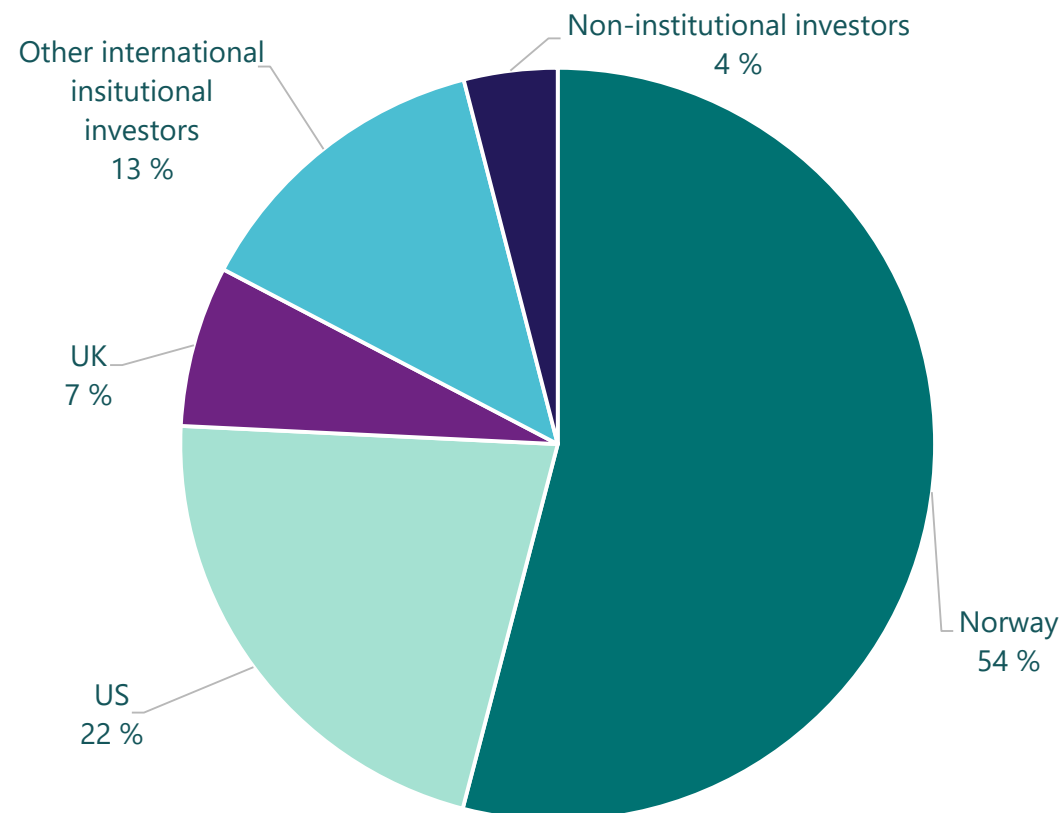


Major shareholders

	Shares in 1 000	Ownership in per cent
Norwegian Government/Ministry of Trade, Industry and Fisheries	527,124	34
DNB Savings Bank Foundation	130,001	8.4
The Capital Group Companies, Inc.	112,457	7.3
Folketrygdfondet	87,355	5.6
BlackRock, Inc.	54,694	3.5
Vanguard Group Holdings	37,099	2.4
Deutsche Bank AG Group	29,003	1.9
T. Rowe Price Group, Inc.	20,053	1.3
Storebrand Kapitalforvaltning	19,190	1.2
State Street Corporation	19,185	1.2
DNB Asset Management AS	18,851	1.2
Kommunal Landspensjonskasse	16,350	1.1
Danske Bank Group	15,567	1
Crédit Agricole S.A.	14,349	0.9
Schroders PLC	14,324	0.9
Nordea AB	13,805	0.9
Svenska Handelsbanken AB	11,397	0.7
Ameriprise Financials, Inc.	10,773	0.7
Polaris Capital Management, LLC	10,367	0.7
BNP Paribas, S.A.	10,339	0.7
Total largest shareholders	1,172,284	75.6
Other shareholders	378,081	24.4
Total	1,550,365	100

Ownership according to nationality

As at 30 September 2022



DNB