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Profits of NOK 2.9 billion and lower write-downs

DnB NOR recorded profits of NOK 2 917 million in the first quarter of 2010, roughly on a level with the year-earlier period. Write-downs on loans have shown a positive trend, with a reduction of approximately 40 per cent from the first quarter of 2009.

"We are very pleased with the Group's sound first quarter performance, achieved in spite of somewhat lower-than-normal activity levels. It is good news for us all that write-downs on loans are lower than expected. Our daily contact with small and large customers throughout Norway confirms that the Norwegian economy is far stronger than in the rest of Europe," says Rune Bjerke, group chief executive.

Key figures for the first quarter of 2010:

- Pre-tax operating profits before write-downs were NOK 4.9 billion (6.1)
- Profit for the period was NOK 2.9 billion (2.9)
- Profit after minority interests was NOK 3.1 billion (3.1)
- Earnings per share were NOK 1.92 (2.32)
- Return on equity was 12.5 per cent (15.8)
- The ordinary cost/income ratio was 49.5 per cent (43.6)
- The Tier 1 capital ratio, including 50 per cent of interim profits, was 9.4 per cent (7.0)

(Comparable figures for the first quarter of 2009 in parentheses)

Lower-than-expected write-downs

Write-downs on loans came to NOK 947 million, which is significantly lower than in the corresponding period last year, when write-downs totalled NOK 1 598 million.

"It is very rewarding that we have been able to reduce the level of write-downs to such an extent compared with last year. We believe that this trend will continue over the next quarters," says Bjerke.

Future prospects

DnB NOR aims to achieve pre-tax operating profits before write-downs of NOK 20 billion in 2010.

"The global economy appears to be emerging from the recession. We expect renewed economic growth to lead to increased credit demand. Due to rising demand combined with lower write-downs and an effective cost programme, our NOK 20 billion target remains firm, though it will be challenging to reach," says Bjerke.

DnB NOR will continue to develop efficient technological solutions which save time and costs for customers and the bank.

"More than 6 000 customer loans were approved electronically in the first quarter, with no paper involved. So far, we are the only Norwegian bank offering this service, and we find that our customers clearly appreciate these efficient services," says Bjerke.

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The quarterly report, presentation and Supplementary Information for Investors and Analysts can be downloaded from www.dnbnor.com