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Significant increase in profits

DnB NOR achieved a profit of NOK 3 038 million in the third quarter of 2010, a significant improvement from the year-earlier period. Lower write-downs on loans were the main factor behind the rise in profits, though there was also a rise in interest income.

"The Norwegian economy is continuing to show clear signs of improvement, and we are experiencing an increase in credit demand from both private individuals and companies. Parallel to this, we have a gratifying and pronounced decline in write-downs on loans," says Rune Bjerke, group chief executive.

Rune Bjerke is very satisfied with the quarterly results, which show a clear improvement compared with the year-earlier period, when profits totalled NOK 1 760 million.

Key figures for the third quarter of 2010:

- Pre-tax operating profits before write-downs were NOK 4.8 billion (5.0)
- Profit for the period was NOK 3.0 billion (1.8)
- Profit after minority interests was NOK 3.1 billion (2.2)
- Earnings per share were NOK 1.90 (1.63)
- Return on equity was 11.8 per cent (10.6)
- The ordinary cost/income ratio was 48.2 per cent (46.2)

Comparable figures for the third quarter of 2009 in parentheses.

Average lending volumes were NOK 8.1 billion lower in the third quarter of 2010 than in the year-earlier period and rose by NOK 12.8 billion from the second quarter of 2010. Net interest income was just under NOK 240 million higher than in both the third quarter of 2009 and the second quarter of 2010.

Lower write-downs

"We are very pleased to note the significant reduction in write-downs on loans compared with the year-earlier period, which is positive for both us and our customers. This shows that DnB NOR has emerged stronger from the financial crisis and that the Norwegian economy remains robust," says Bjerke.

Write-downs on loans totalled NOK 643 million in the third quarter, down from NOK 2 277 million in the year-earlier period. There was a downward trend in write-downs towards the end of 2009, and this has continued in 2010.

Among the global top 10 per cent

For the second consecutive year, DnB NOR has qualified for inclusion in the Dow Jones World Sustainability Index (DJSI World). This means that the Group is regarded as being among the top 10 per cent within its industry worldwide in terms of sustainability.

"We are under an obligation to show responsibility and accountability in relation to the society we are a part of. The fact that we once again qualified for inclusion in the world's most prestigious sustainability index is a recognition of our long-term commitment to environmental and social issues," says Bjerke.

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