



DNB

4

RESULTS DNB GROUP
Fourth quarter 2011

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)

Full year 2011

Pre-tax operating profit before write-downs in NOK billion

21.8 (21.1)

Cost/income ratio in per cent

47.1 (47.6)

Return on equity in per cent

11.4 (13.6)

Proposed dividend in NOK

2 (4)

Full year 2011

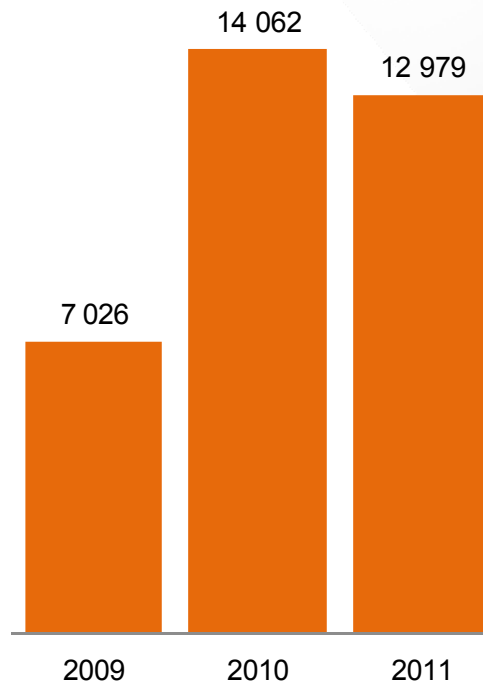
- **Sound financial performance**
- **Improved capital adequacy**
- **Improved ratio of deposits to lending and good access to funding**
- **Enhanced reputation and customer satisfaction**

Profit for the last three years

**Pre-tax operating profit
before write-downs**
(NOK million)



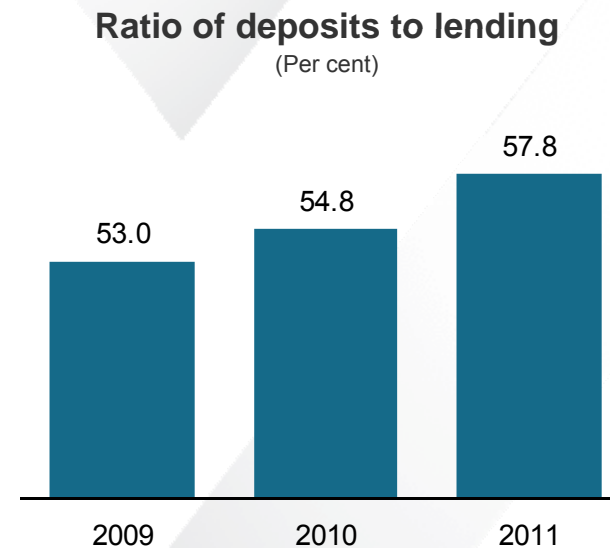
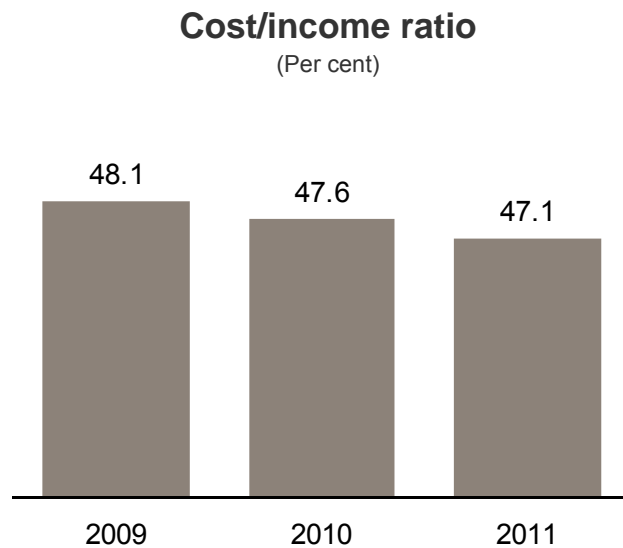
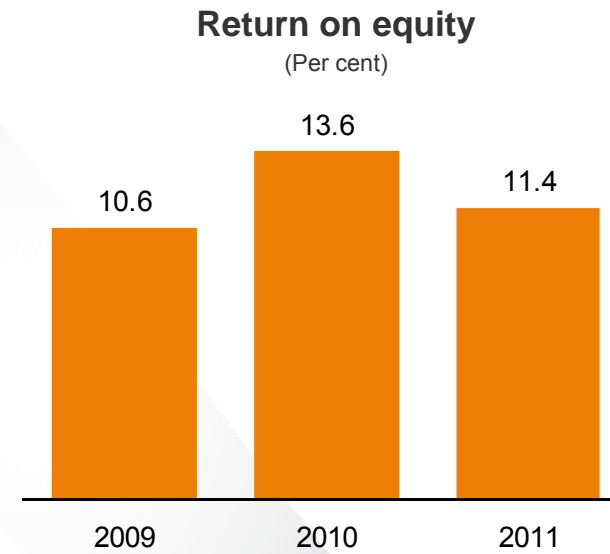
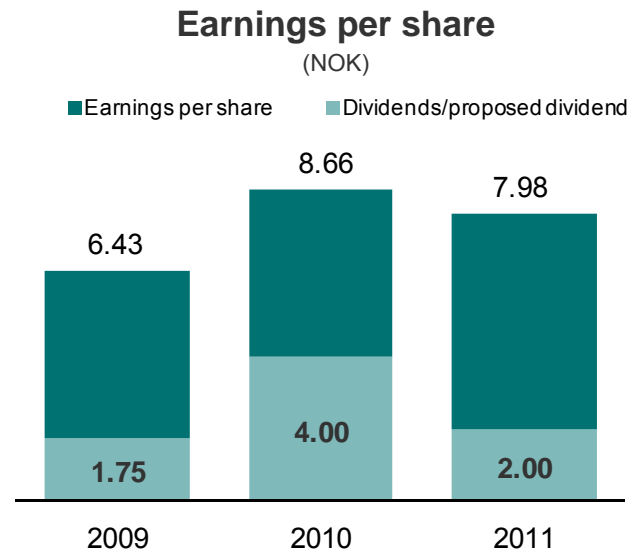
Profit for the period
(NOK million)



Full year 2011

- Sound growth from 2010
- High mark-to-market adjustments in 2010 and 2011
- Still low write-downs
- Higher tax charge in 2011

Key figures for the last three years



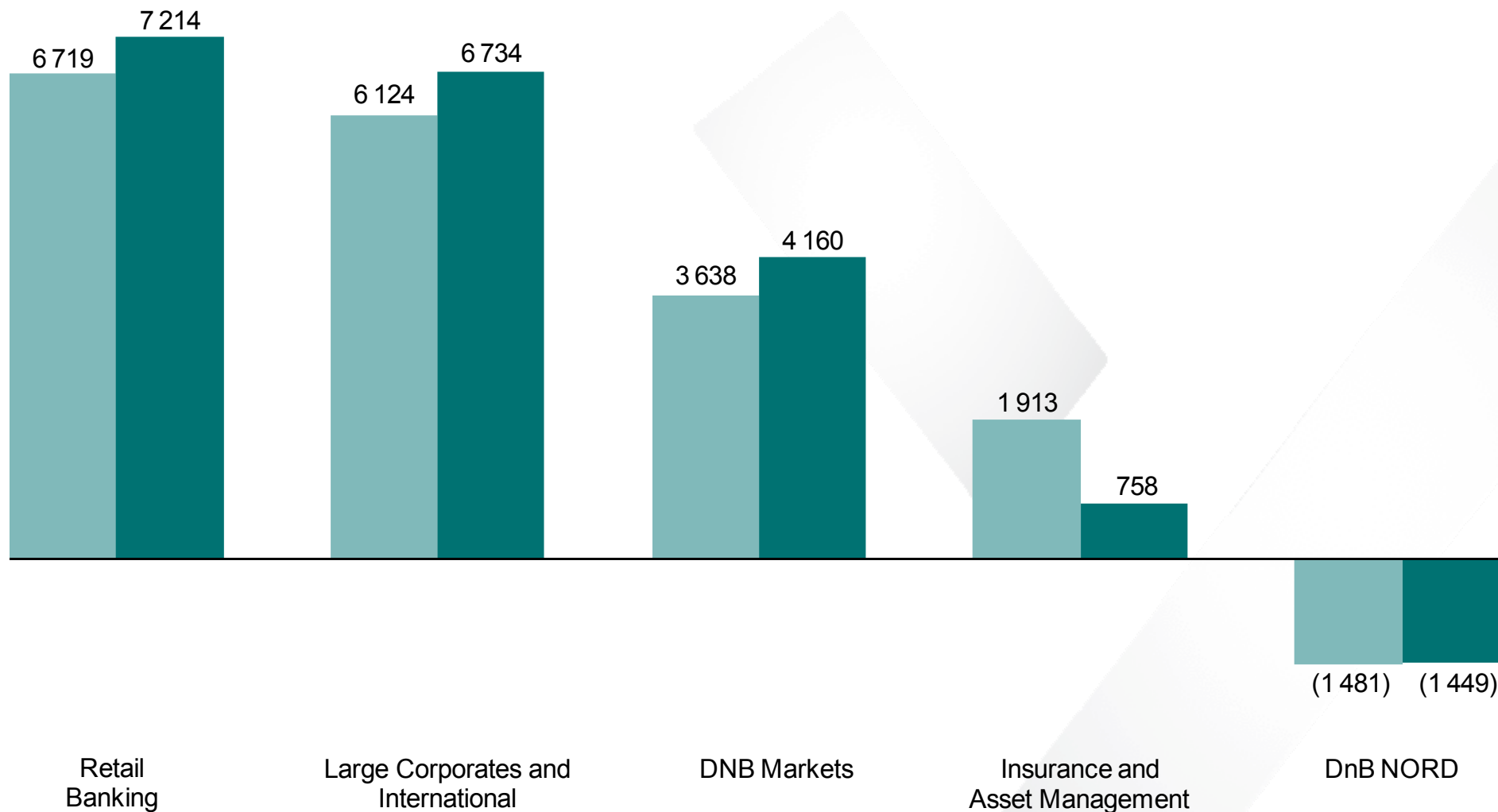
Business areas

Pre-tax operating profit after write-downs

(NOK million)

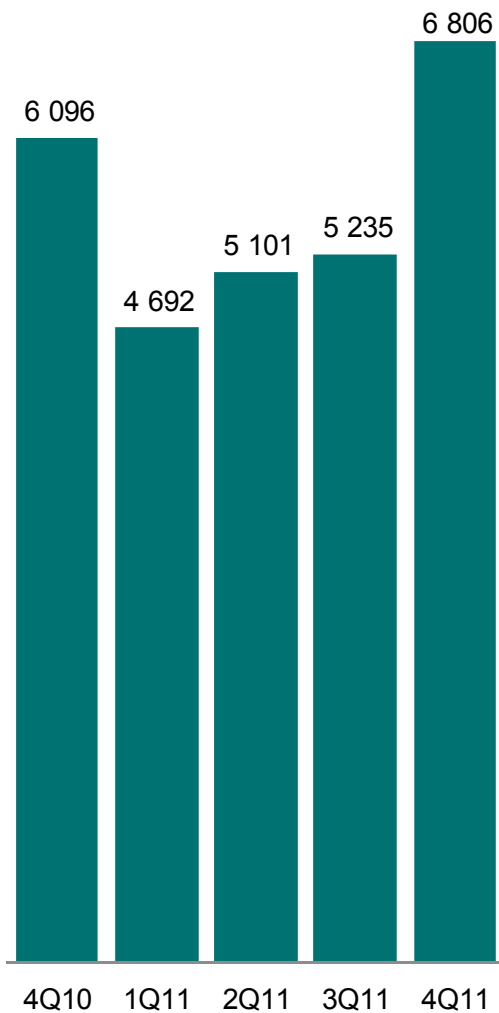
■ Full year 2011

■ Full year 2010

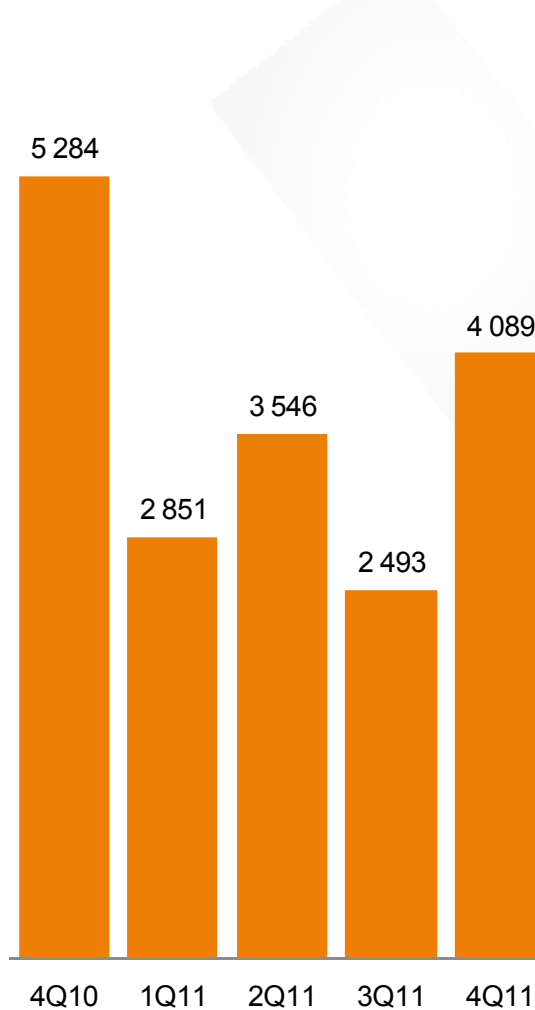


Profit per quarter

**Pre-tax operating profit
before write-downs**
(NOK million)



Profit for the period
(NOK million)

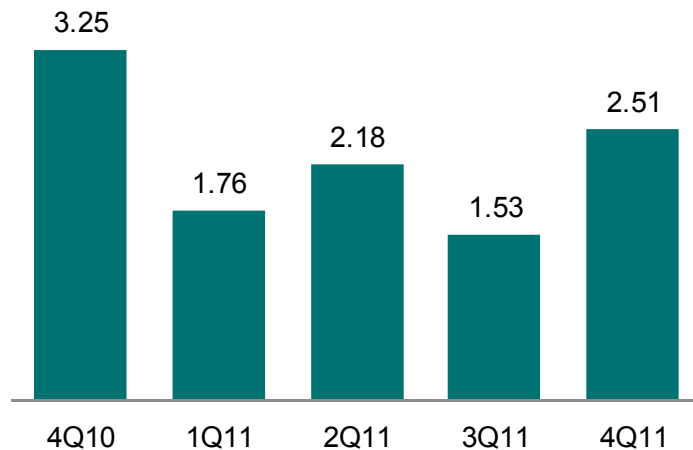


4th quarter 2011

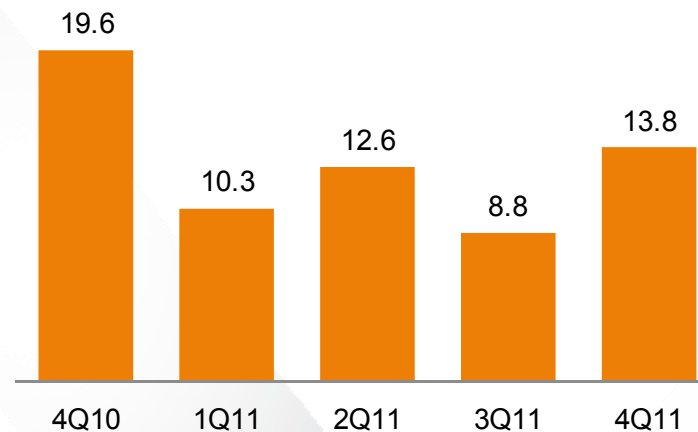
- Higher net interest income
- Higher level of activity and resulting rise in investments
- Positive mark-to-market adjustments
- Impairment losses for goodwill and intangible assets
- Higher tax charge

Key figures per quarter

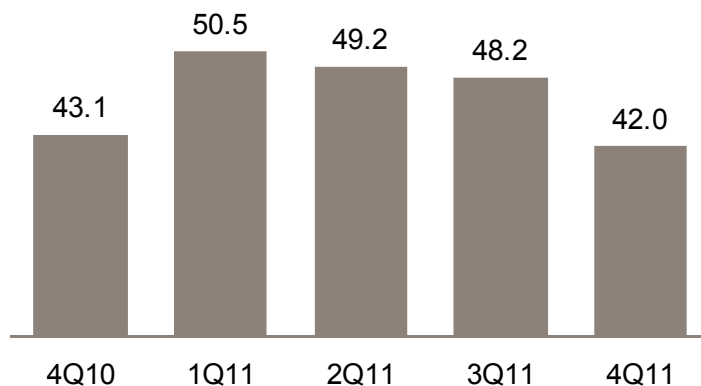
Earnings per share
(NOK)



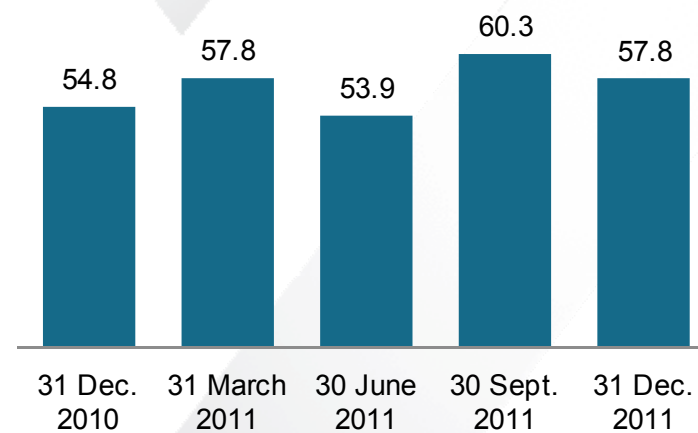
Return on equity
(Per cent)



Cost/income ratio
(Per cent)



Ratio of deposits to lending
(Per cent)

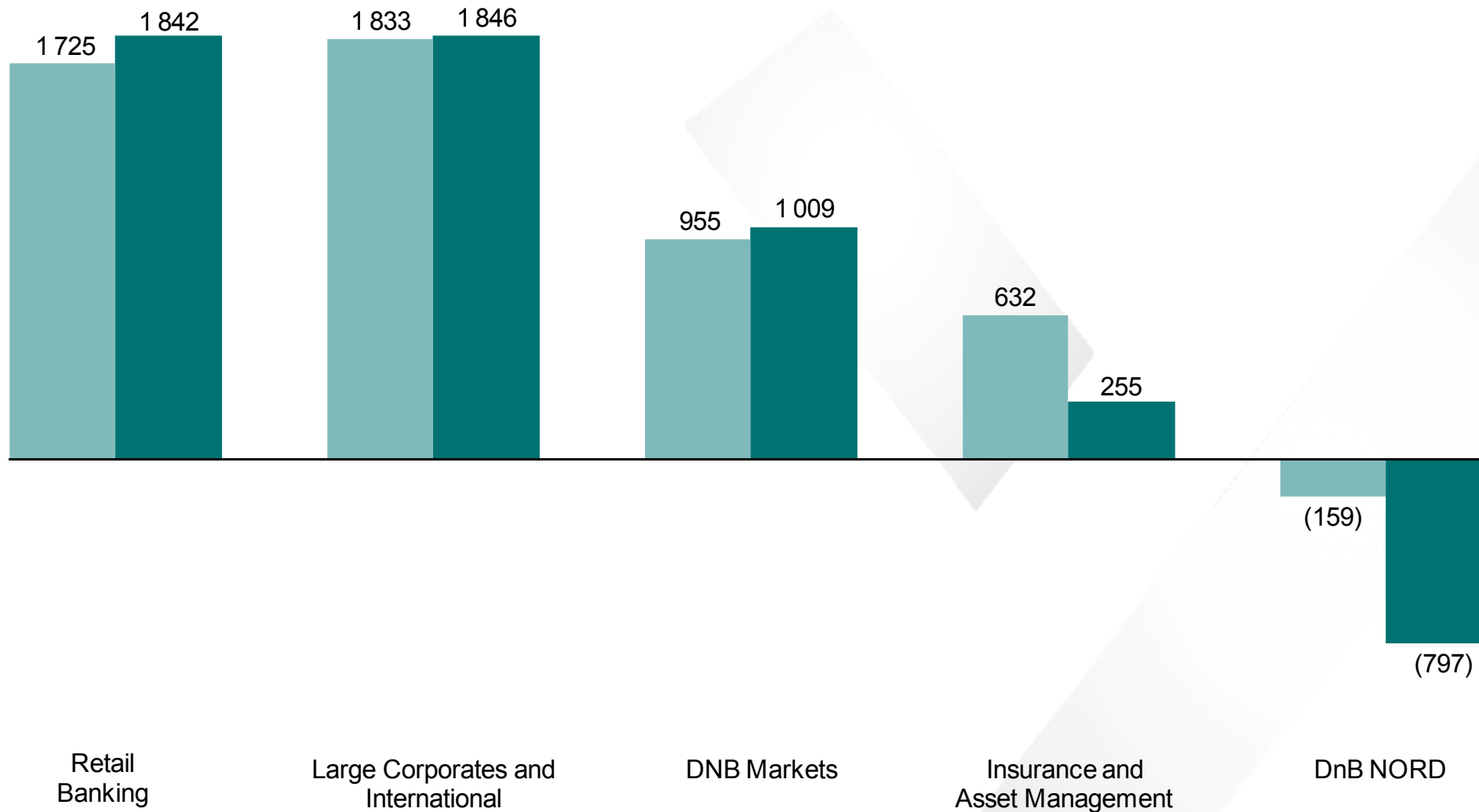


Business areas

Pre-tax operating profit after write-downs in the fourth quarter

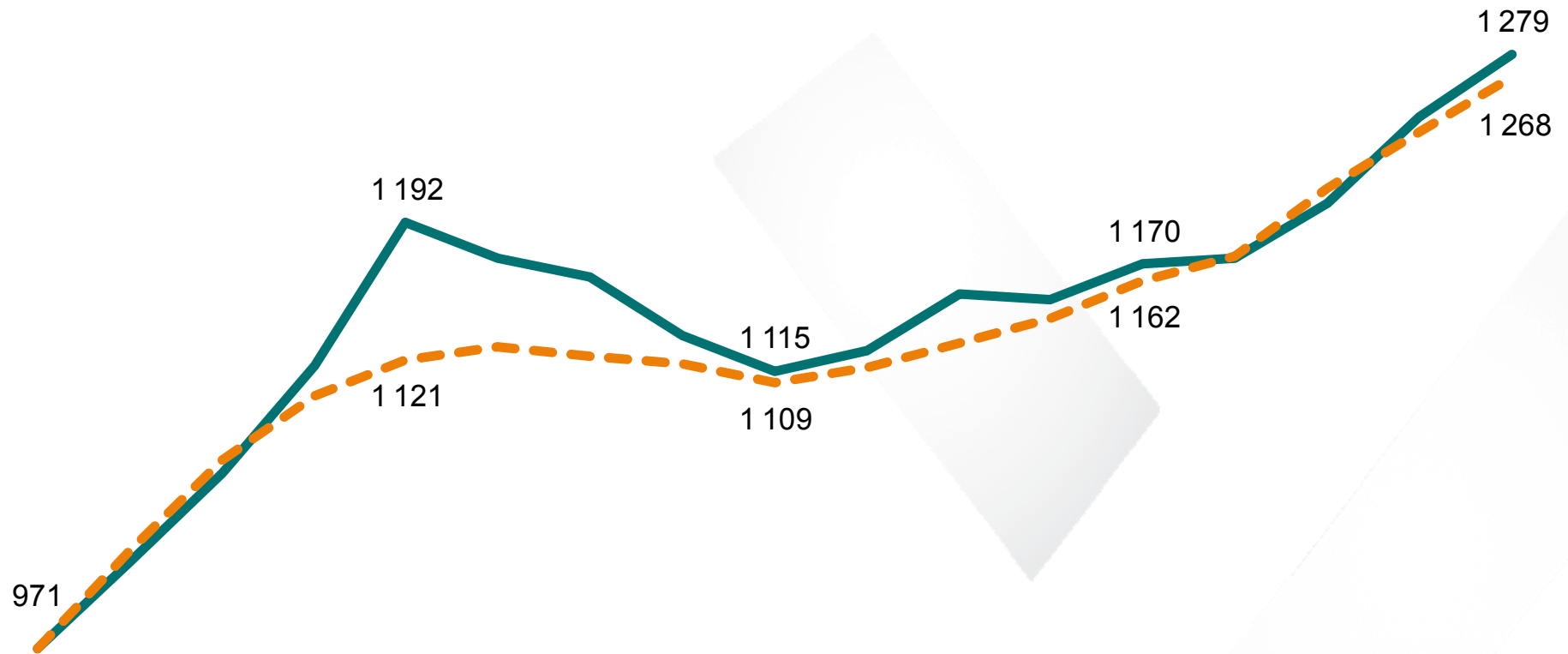
(NOK million)

■ Fourth quarter 2011
■ Fourth quarter 2010



Development in lending

NOK billion

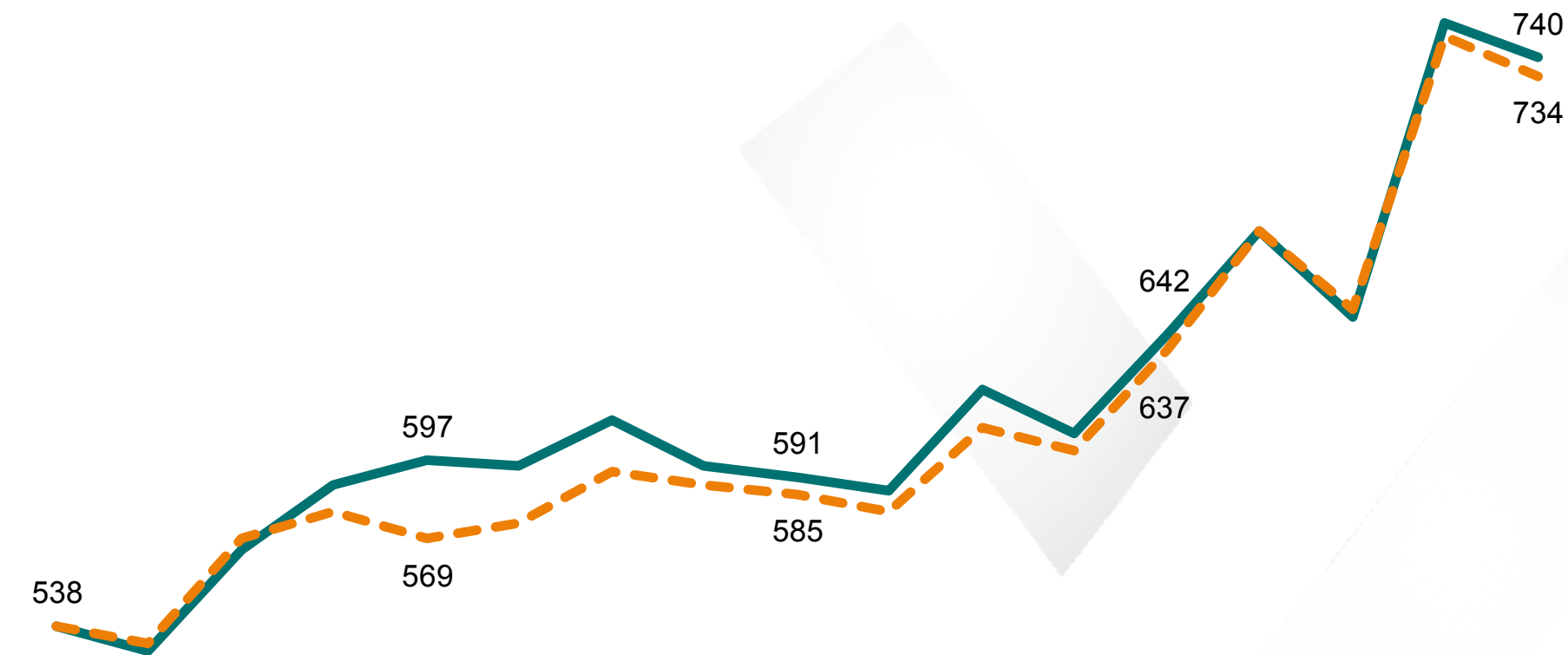


31	31	30	30	31	31	30	30	31	31	30	30	31	31	30	30	31
Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.
2007	2008			2009			2010			2011						

- Lending at end of period
- - - Lending, adjusted for exchange rate movements

Development in deposits

NOK billion

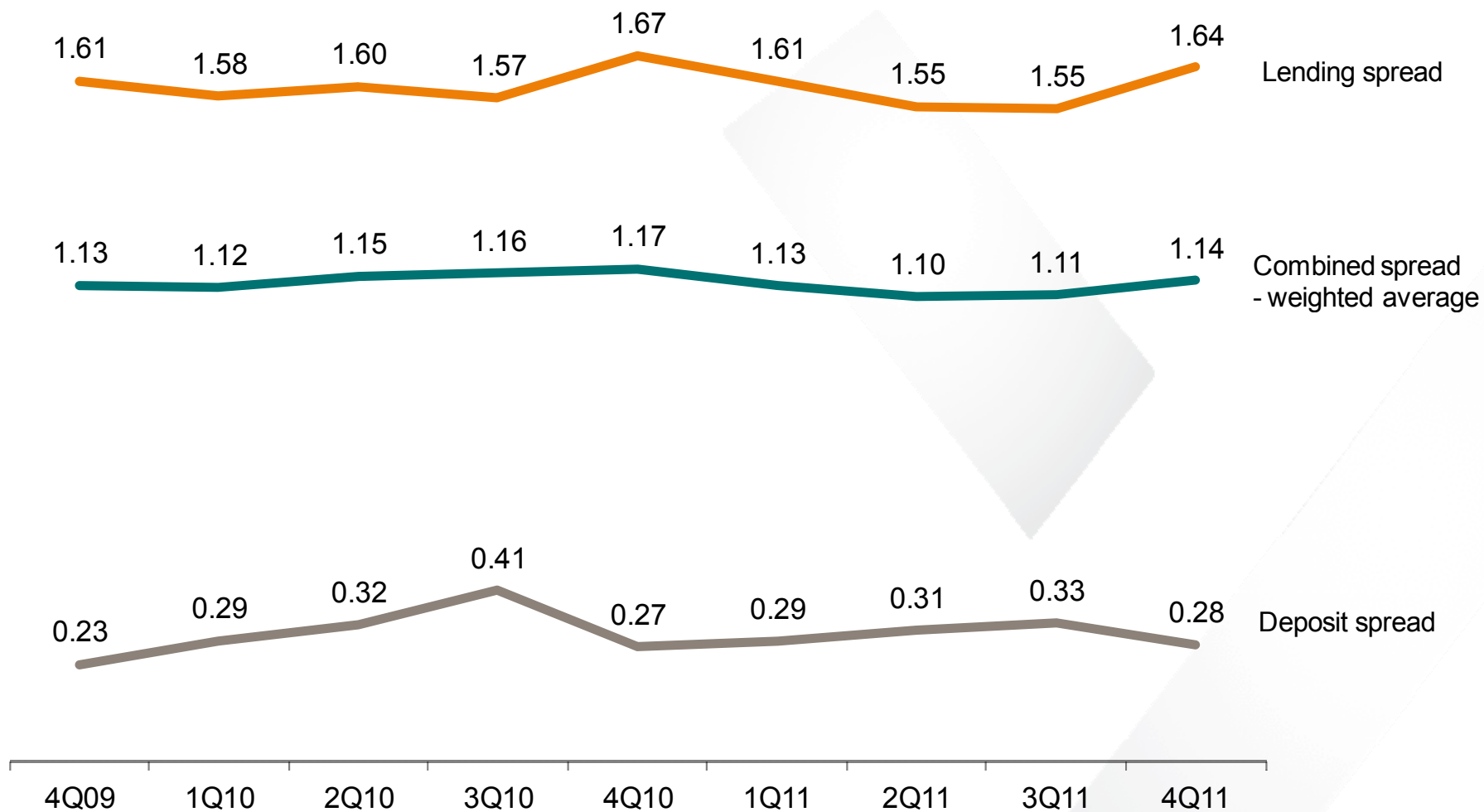


31	31	30	30	31	31	30	30	31	31	30	30	31	31	30	30	31
Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.
2007	2008				2009				2010				2011			

- Deposits at end of period
- - - Deposits, adjusted for exchange rate movements

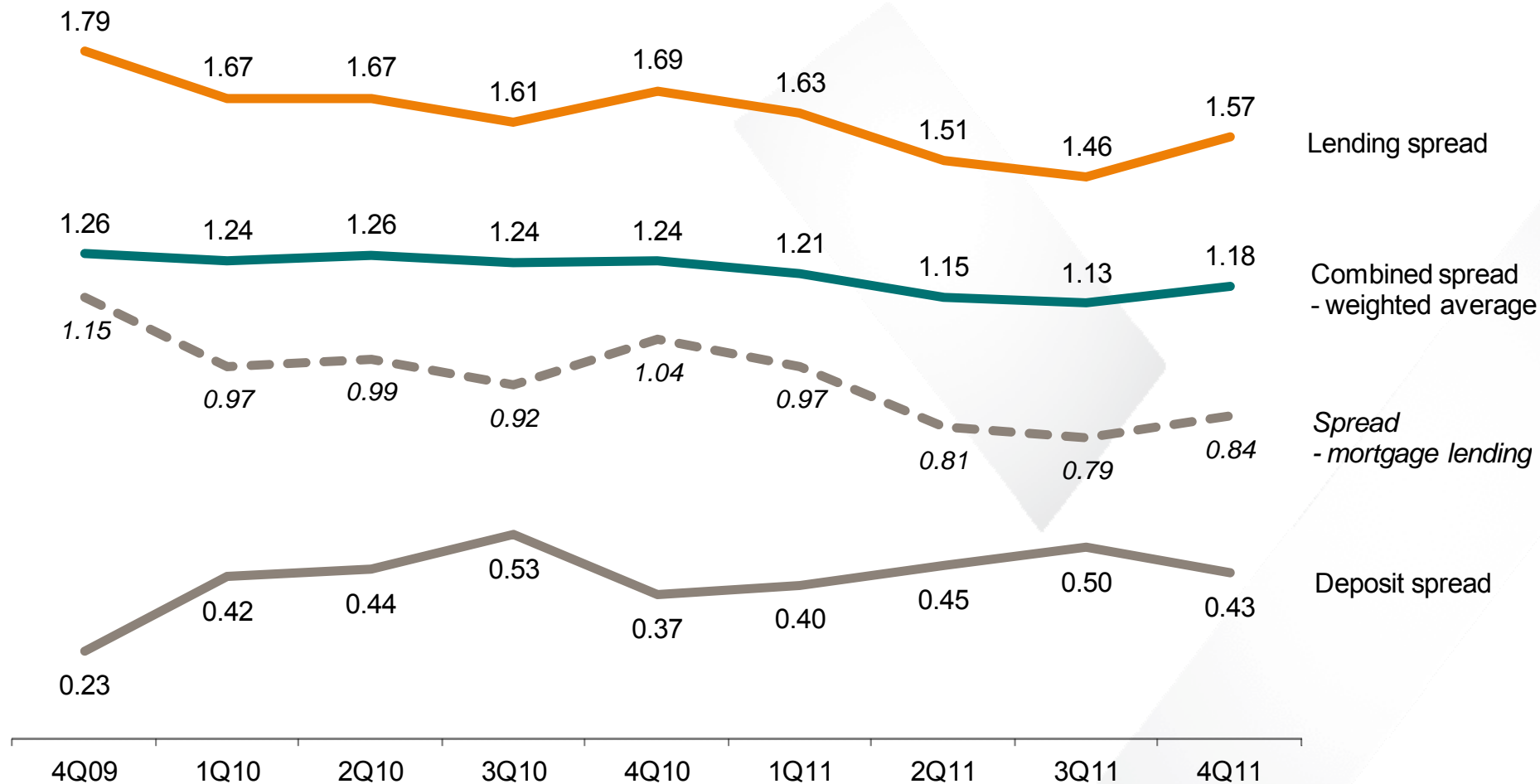
Development in average interest rate spreads - DNB Group

Per cent



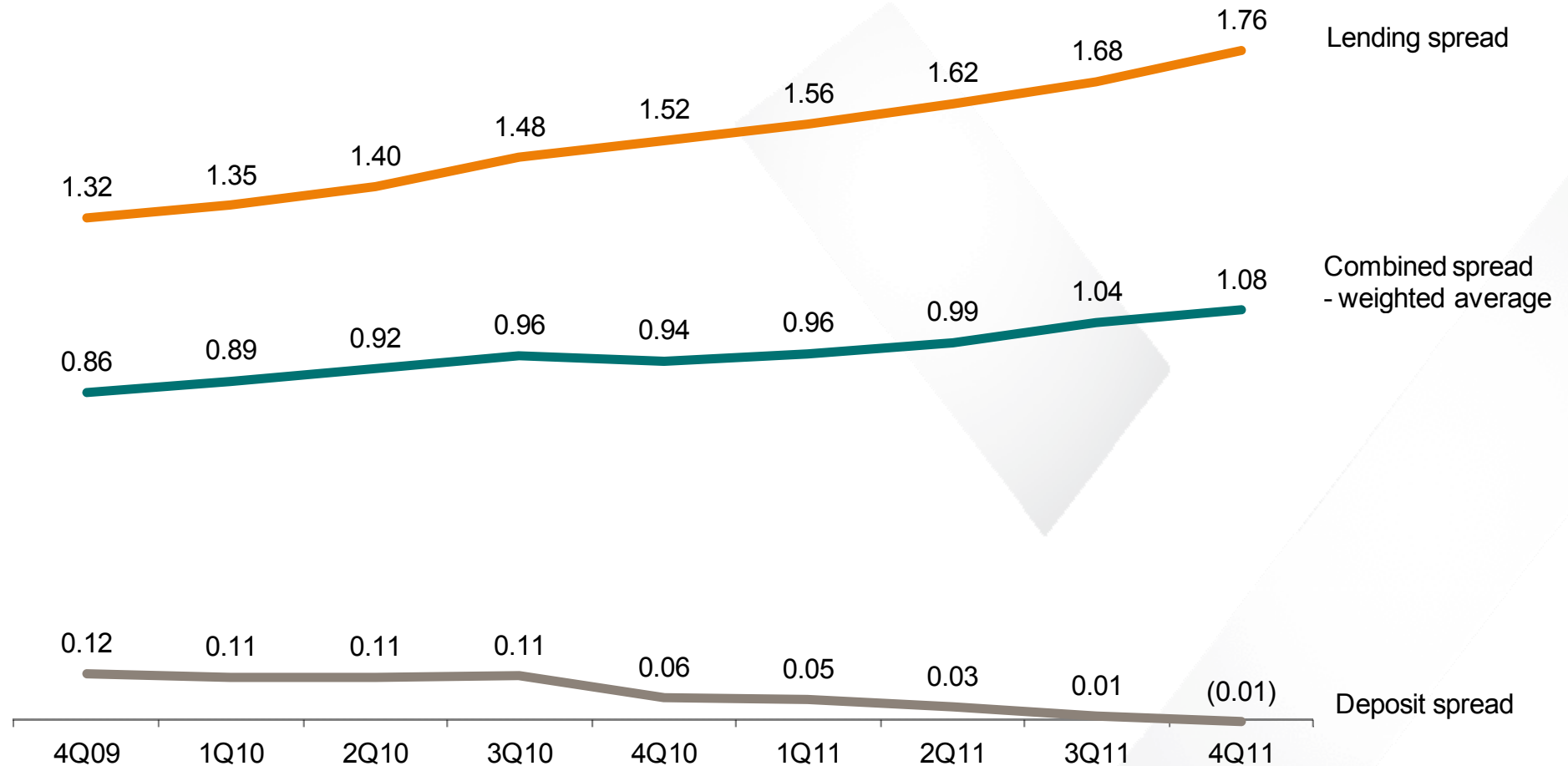
Development in average interest rate spreads - Retail Banking

Per cent



Development in average interest rate spreads - Large Corporates and International

Per cent



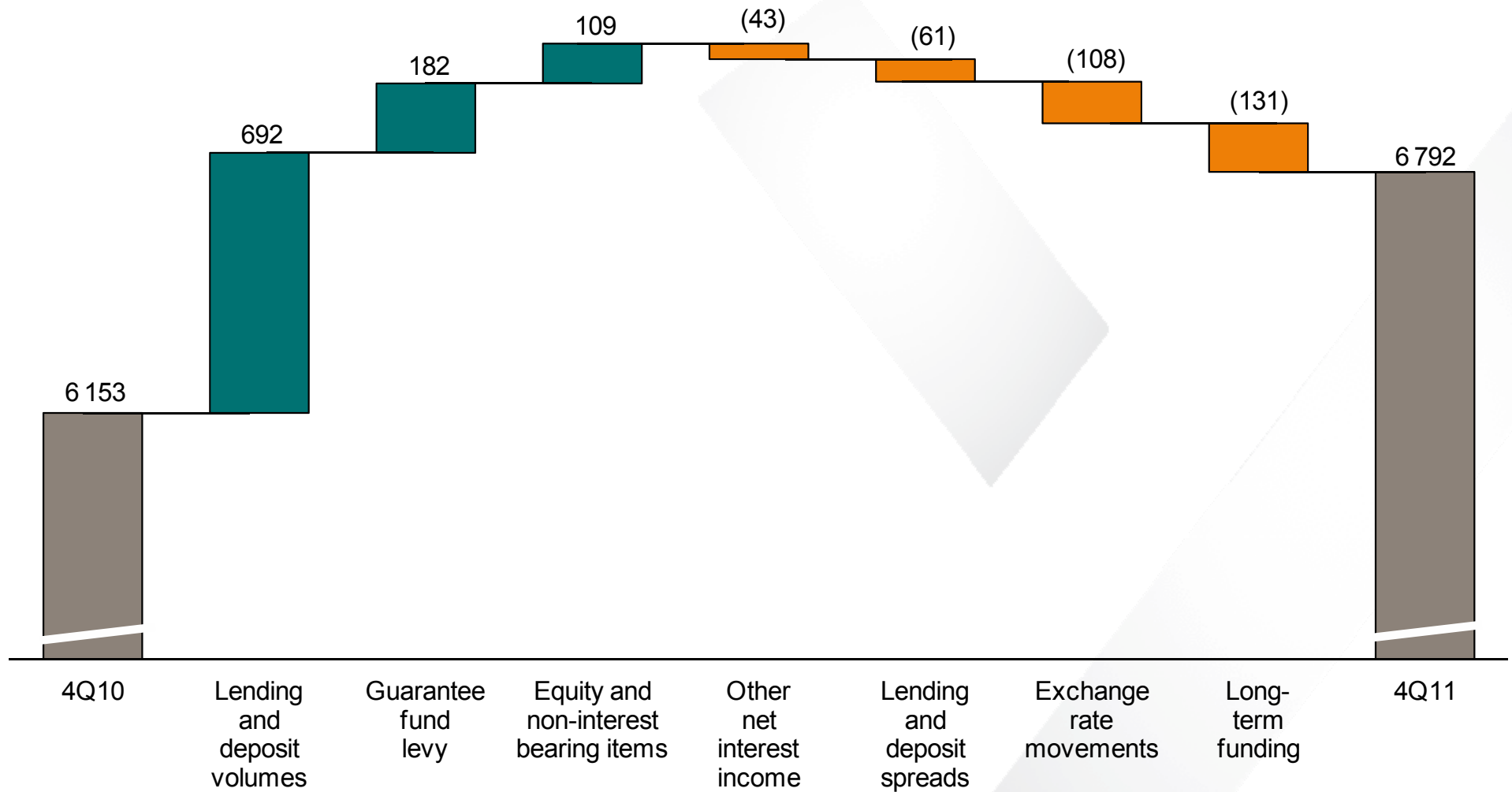
Income statement

Amounts in NOK million	4Q11	3Q11	2Q11	1Q11	4Q10	Full year 2011	Full year 2010
Net interest income	6 792	6 394	6 048	6 018	6 153	25 252	23 436
<i>Net commissions and fees, core business</i>	1 632	1 933	2 007	1 864	1 926	7 436	7 293
<i>Net financial items</i>	3 967	1 770	1 977	1 604	2 627	9 317	8 863
Net other operating income, total	5 599	3 703	3 984	3 467	4 553	16 754	16 156
Total income	12 392	10 097	10 032	9 485	10 706	42 006	39 592
Total operating expenses before impairment losses for goodwill and intangible assets	5 206	4 862	4 931	4 793	4 610	19 792	17 920
Impairment losses for goodwill and intangible assets	380	0	0	0	0	380	591
Pre-tax operating profit before write-downs	6 806	5 235	5 101	4 692	6 096	21 833	21 081
Net gains on fixed and intangible assets	(1)	6	9	5	26	19	24
Write-downs on loans and guarantees	926	1 170	457	892	529	3 445	2 997
Pre-tax operating profit	5 878	4 072	4 652	3 805	5 593	18 407	18 108
Taxes	1 790	1 604	1 116	913	367	5 423	4 121
Profit from operations held for sale	0	25	11	(41)	57	(5)	75
Profit for the period	4 089	2 493	3 546	2 851	5 284	12 979	14 062
Profit after minority interests	4 089	2 493	3 546	2 851	5 349	12 979	14 814

Change in net interest income

NOK million

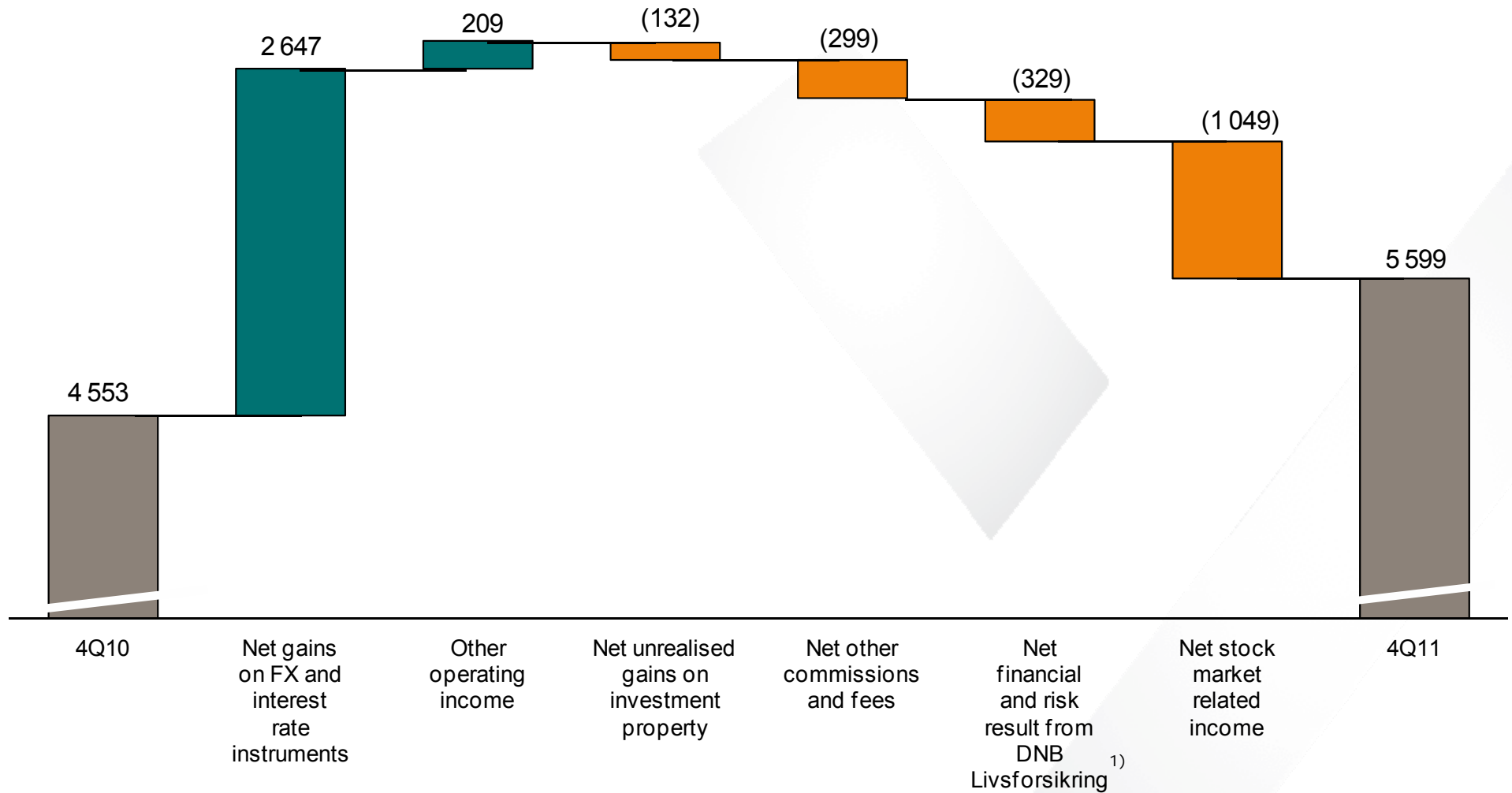
From 4th quarter 2010 to 4th quarter 2011



Change in net other operating income

NOK million

From 4th quarter 2010 to 4th quarter 2011



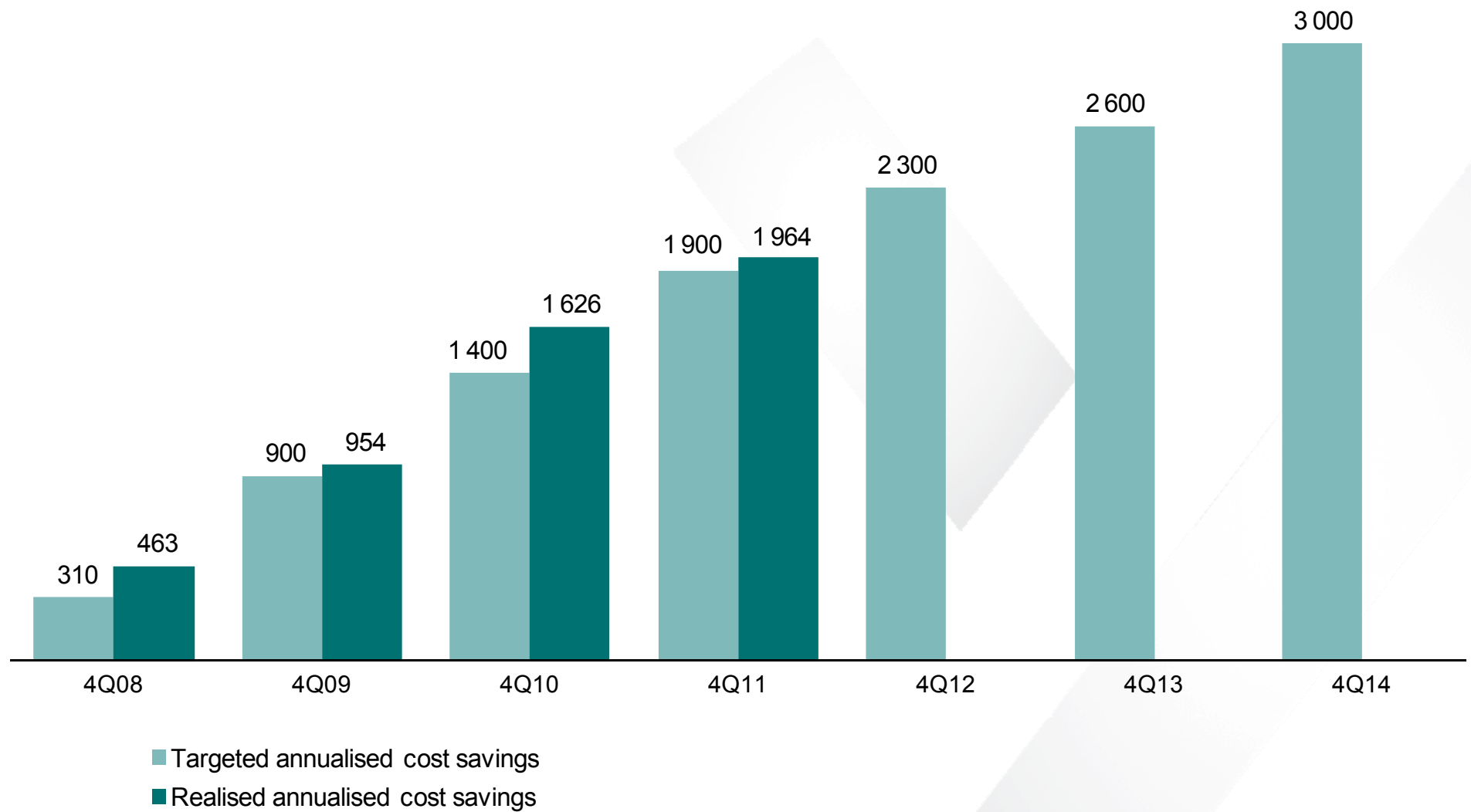
1) After guaranteed returns and allocations to policyholders

Changes in operating expenses

Amounts in NOK million	4Q11	Changes	4Q10
Total operating expenses	5 586	976	4 610
Non-recurring costs			
Impairment losses for goodwill and intangible assets		380	
Brand development and establishment costs		146	
Income-related items			
Increase in full-time positions		64	
Operational leasing		10	
København Ejendomme		8	
Performance-based pay		27	
Expenses directly related to operations			
Cost programme		(75)	
Wage and price inflation		111	
IT expenses		146	
Rise in pension expenses		71	
Properties and premises		64	
Sundry expenses		25	

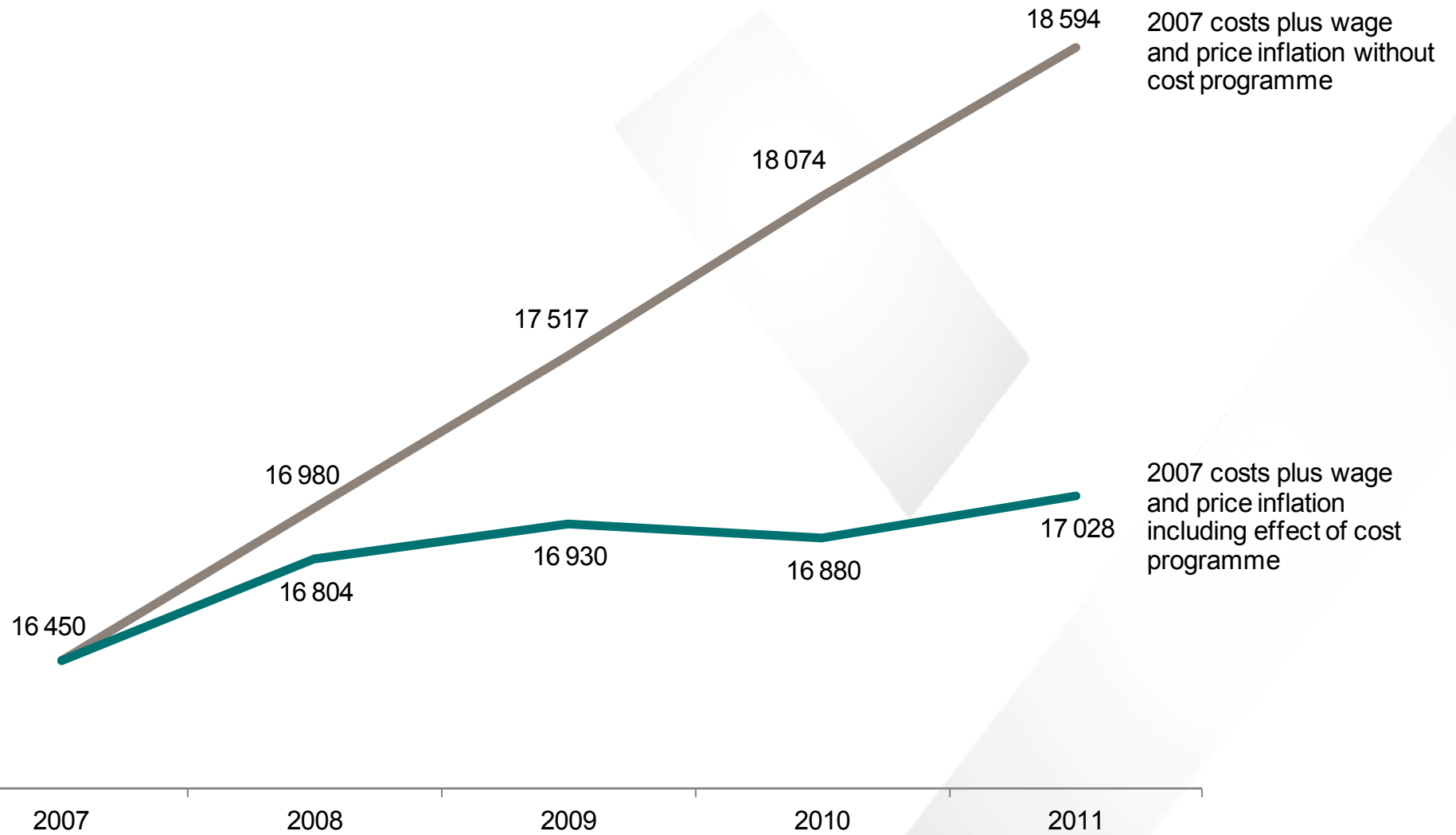
Cost programme

NOK million

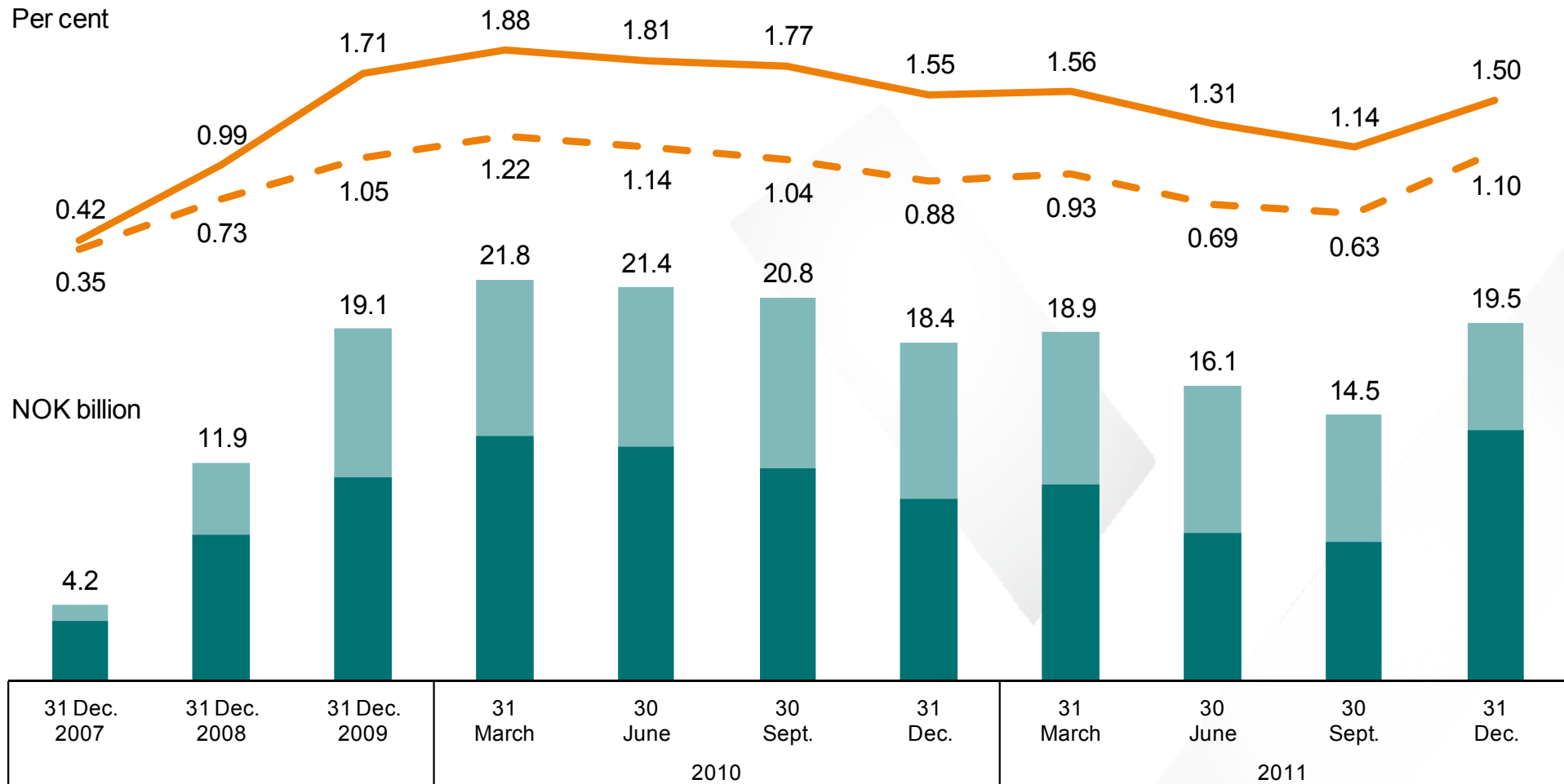


Long-term effect of cost programme

NOK million



Net non-performing and net doubtful commitments 1)



1) Includes non-performing commitments and commitments subject to individual write-downs. Accumulated individual write-downs are deducted.

- DNB Baltics and Poland
- DNB Group excl. DNB Baltics and Poland
- As a percentage of net lending
- - - As a percentage of net lending excl. DNB Baltics and Poland

Write-downs on loans and guarantees

Amounts in NOK million	4Q11	3Q11	2Q11	1Q11	4Q10	Full year 2011	Full year 2010
<i>Individual write-downs:</i>							
Retail Banking							
- Private Customer Divisions	78	38	58	13	132	186	286
- SME Divisions	233	128	(45)	96	182	411	356
- DNB Finans ¹⁾	29	106	97	138	49	370	582
Large Corporates and International							
- Nordic Corporates Division	144	(3)	145	120	4	406	28
- International Corporates and Institutions Division	29	110	(10)	273	196	402	249
- Shipping, Offshore and Logistics Division	143	17	(13)	13	3	160	219
- Energy Division	1	2	(11)	0	(10)	(8)	88
- Other units	1	(1)	3	(4)	(1)	(1)	4
DNB excl. former DnB NORD	657	397	223	649	553	1 926	1 811
Former DnB NORD							
- DNB Baltics and Poland	237	494	169	202	319	1 103	1 719
- Other units	126	28	15	19	88	188	543
Total individual write-downs	1 020	919	408	870	961	3 217	4 074
<i>Collective write-downs:</i>							
DNB excl. DNB Baltics and Poland	(44)	43	54	29	(329)	82	(628)
DNB Baltics and Poland	(50)	208	(4)	(8)	(103)	146	(449)
Total collective write-downs on loans	(94)	251	50	21	(432)	227	(1 077)
Write-downs on loans and guarantees	926	1 170	457	892	529	3 445	2 997

1) Includes leasing, factoring and credit card and consumer financing

Write-downs in per cent of lending

Per cent	4Q11	3Q11	2Q11	1Q11	4Q10	Full year	Full year
						2011	2010
Total write-downs in relation to average volumes (annual basis)	0.29	0.38	0.15	0.31	0.18	0.28	0.26
- DNB excl. former DnB NORD	0.20	0.15	0.10	0.25	0.08	0.17	0.11
- Former DnB NORD	2.24	4.88	1.21	1.45	1.95	2.46	2.87
- <i>DNB Baltics and Poland</i>	1.84	5.30	1.31	1.44	1.65	2.31	2.39

Lending and write-downs in DNB Baltics and Poland

Amounts in NOK million	Net lending as at 31 Dec. 2011	4th quarter 2011		Full year 2011	
		Write-downs on loans and guarantees	in per cent of net lending ¹⁾	Write-downs on loans and guarantees	in per cent of net lending ¹⁾
Latvia	14 542	126	3.48	995	6.61
Lithuania	19 824	78	1.54	185	0.91
Estonia	3 082	11	1.33	9	0.30
Poland	18 019	2	0.05	92	0.60
DNB Baltics and Poland	55 467	217	1.56	1 280	2.39
Other	0 ²⁾	96	-	156	3.22
Former DnB NORD	55 467	313	2.24	1 437	2.46

1) Individual and collective write-downs, relative to average volumes (annual basis)

2) The portfolio was transferred to Norway in the 4th quarter of 2011

Balance sheets

	DNB Group		DNB Bank ASA	
	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Amounts in NOK billion				
Deposits with central banks	225	16	221	13
Lending to and deposits with credit institutions	29	48	193	216
Net lending to customers	1 279	1 170	712	669
Other assets	594	627	489	536
Total assets	2 126	1 862	1 615	1 435
Loans and deposits from credit institutions	280	258	296	257
Deposits from customers	740	642	704	625
Short-term debt securities issued	228	154	228	154
Long-term debt securities issued	407	348	156	189
Other liabilities and provisions	354	349	133	132
Equity	118	111	98	79
Total liabilities and equity	2 126	1 862	1 615	1 435
Ratio of deposits to net lending (%)	57.8	54.8	98.9	93.3
Adjusted ratio of deposits to net lending (%) ¹⁾	57.3	54.7	97.9	93.1
Total combined assets	2 389	2 141	1 615	1 435
Currency-adjusted customer lending	1 276		707	
Currency-adjusted customer deposits	739		702	

1) Excluding short-term money market deposits in DNB New York

Stable access to long-term funding

2012

	NOK billion	Maturity	Spread 3-month Euribor
Covered bonds	18.5	5.5	83
Senior bonds	20.1	7.8	199
Total	38.6	6.7	143 bp

2011

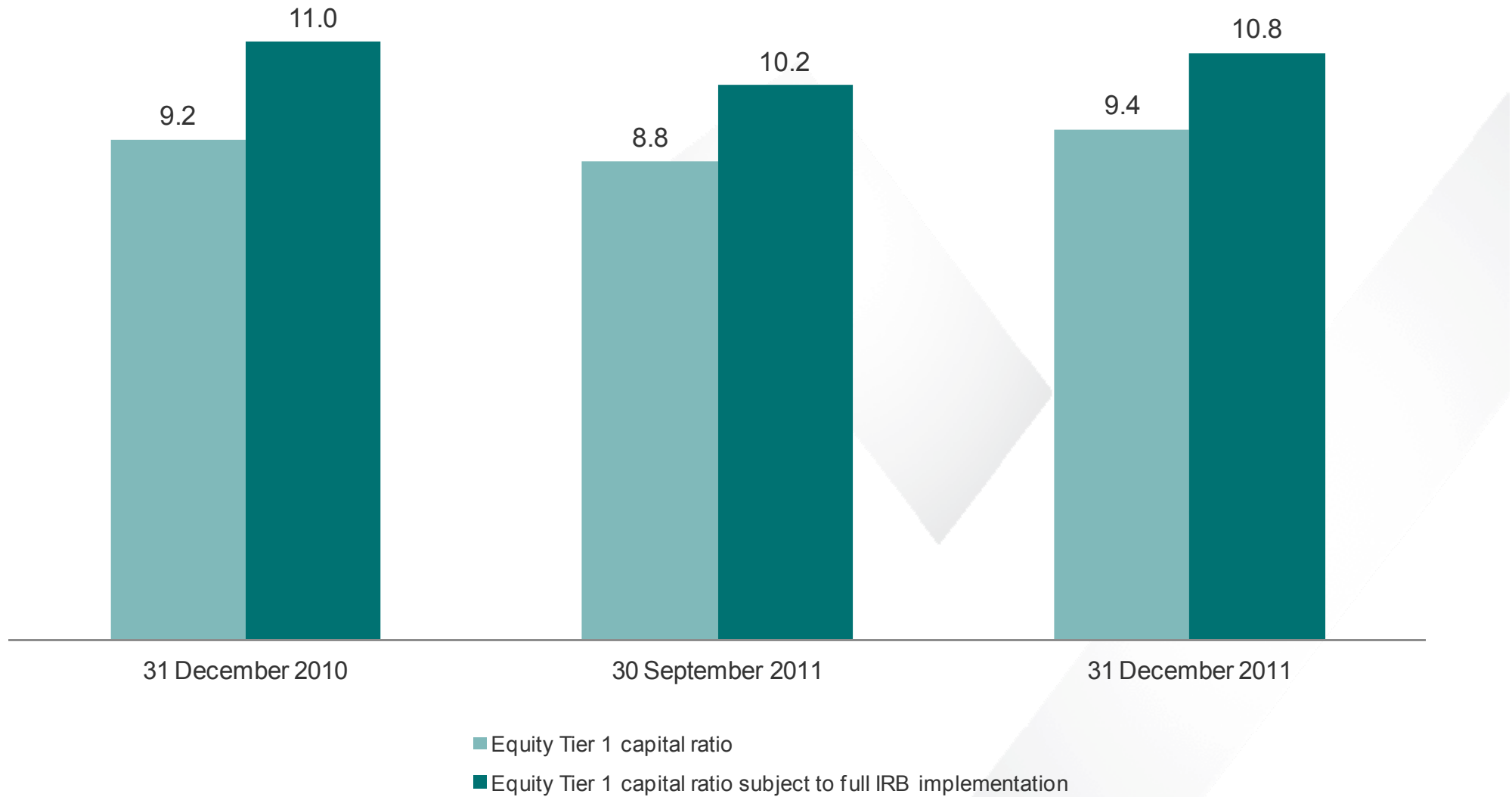
	NOK billion	Maturity	Spread 3-month Euribor
Covered bonds	98.3	6.5	53
Senior bonds	27.8	8.8	108
Total	126.1	7.0	65 bp
In addition: LTRO funding	15.7	3.0	n.a.

2010

	NOK billion	Maturity	Spread 3-month Euribor
Covered bonds	84.4	7.5	49
Senior bonds	32.3	7.3	84
Total	116.6	7.5	59 bp

Equity Tier 1 Capital Ratio

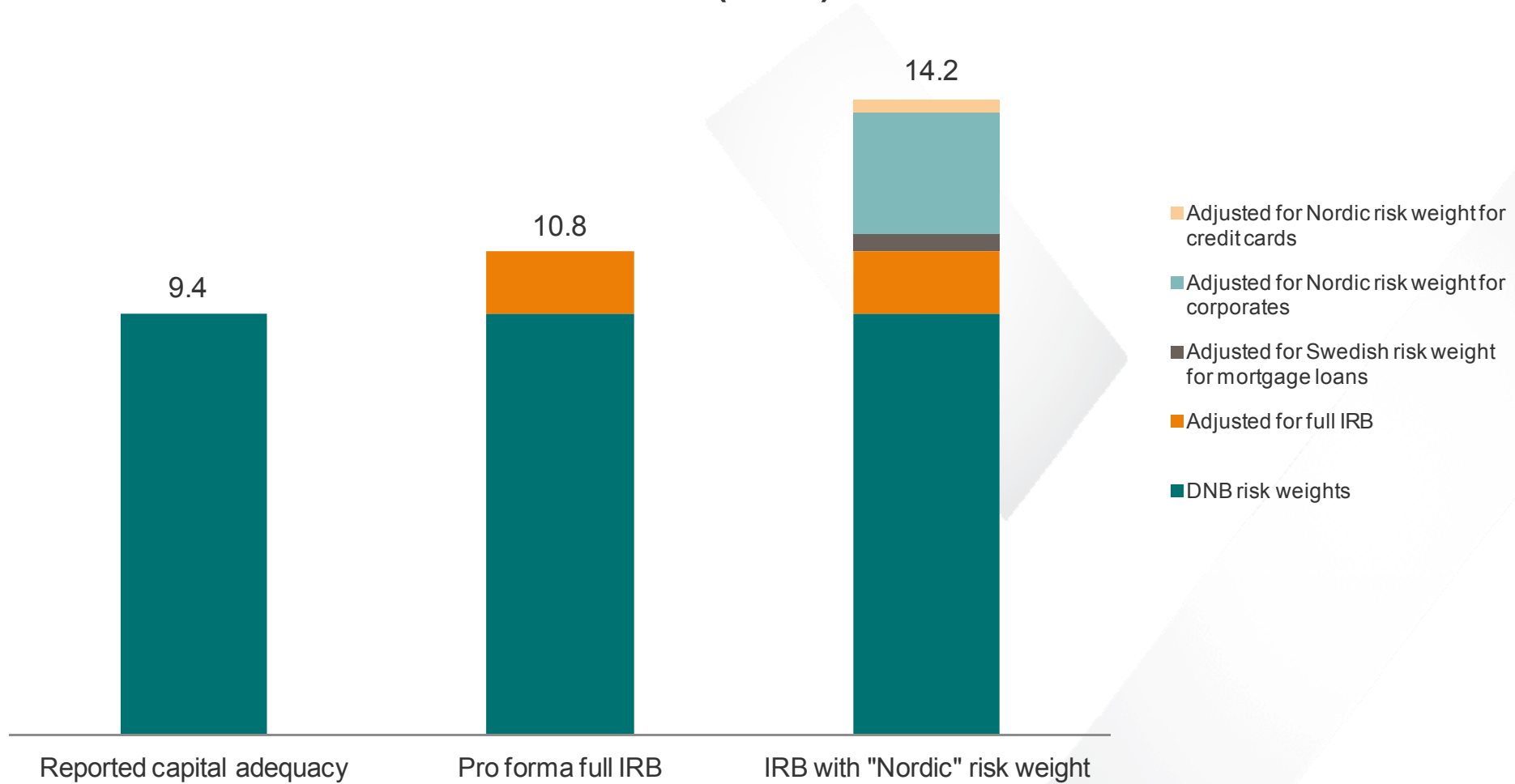
Per cent



Equity Tier 1 Capital according to Nordic rules

Per cent

Equity Tier 1 capital as at 31 December 2011
(CET 1)



Macroeconomic outlook

- **Cautious optimism, but still considerable uncertainty in the international economy**
- **Global growth, but debt challenges in Europe**
- **Norwegian economy remains strong**

Development in reputation

Synovate's reputation survey - "Large Norwegian Companies"



***DNB's financial ambitions remain firm,
but demanding to reach the targets***

- **Retail Banking**
Positive trend, slightly wider spreads
- **Large Corporates and International**
Selective growth and wider spreads
- **DNB Markets**
Platform for continued strong earnings despite increasing price pressure
- **Insurance and Asset Management**
Gradual return to higher profit levels, but increased regulatory risk
- **DNB Baltics and Poland**
Improvement in operations and lower losses



DNB

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