



DNB

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DNB Group
SUPPLEMENTARY INFORMATION
FOR INVESTORS AND ANALYSTS

First quarter 2012

(UNAUDITED)

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Financial Calendar 2012

Preliminary results 2011 and fourth quarter 2011	9 February
Annual general meeting	25 April
Ex-dividend date	26 April
First quarter 2012	27 April
Second quarter 2012	12 July
Capital Markets Day, London	6 September
Third quarter 2012	25 October

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Statements regarding DNB's relative market positions are, unless otherwise specified, based on internal DNB analyses.

Section 1

DNB – an overview

Financial highlights

	DNB Group			
Income statement	1st quarter	1st quarter	Full year	Full year
<i>Amounts in NOK million</i>	2012	2011	2011	2010
Net interest income	6 653	6 018	25 252	23 436
<i>Net commissions and fees, core business ¹⁾</i>	1 750	1 864	7 436	7 293
<i>Net financial items ¹⁾</i>	(143)	1 604	9 317	8 863
Net other operating income, total	1 607	3 467	16 754	16 156
Ordinary operating expenses	5 105	4 793	19 792	17 920
Other expenses	0	0	380	591
Pre-tax operating profit before write-downs	3 156	4 692	21 833	21 081
Net gains on fixed and intangible assets	7	5	19	24
Write-downs on loans and guarantees	784	892	3 445	2 997
Pre-tax operating profit	2 378	3 805	18 407	18 108
Taxes	618	913	5 423	4 121
Profit from operations held for sale, after taxes	0	(41)	(5)	75
Profit for the period	1 760	2 851	12 979	14 062
Profit attributable to shareholders	1 760	2 851	12 979	14 814
Profit attributable to minority interests	0	0	0	(752)

Balance sheet	31 March	31 Dec.	31 March	31 Dec.
<i>Amounts in NOK million</i>	2012	2011	2011	2010
Total assets	2 370 952	2 126 098	2 097 070	1 861 620
Lending to customers	1 284 526	1 279 259	1 173 213	1 170 341
Deposits from customers	805 985	740 036	678 402	641 914
Total equity	119 518	117 815	114 033	111 196
Average total assets	2 269 263	2 147 853	2 091 023	1 969 557
Total combined assets	2 635 595	2 394 579	2 386 250	2 146 859

Key figures	1st quarter	1st quarter	Full year	Full year
	2012	2011	2011	2010
Combined weighted total average spread for lending and deposits (per cent)	1.16	1.13	1.12	1.15
Cost/income ratio (per cent)	61.8	50.5	47.1	47.6
Write-downs relative to average net lending to customers, annualised	0.25	0.31	0.28	0.26
Return on equity, annualised (per cent)	6.0	10.3	11.4	13.6
Earnings per share (NOK)	1.08	1.76	7.98	8.66
Dividend per share (NOK)	-	-	2.00	4.00
Equity Tier 1 capital ratio at end of period (per cent) ²⁾	9.3	9.2	9.4	9.2
Tier 1 capital ratio at end of period (per cent) ²⁾	9.9	10.0	9.9	10.1
Capital ratio at end of period (per cent) ²⁾	11.8	12.0	11.4	12.4
Share price at end of period (NOK)	73.20	84.85	58.55	81.90
Price/book value	1.00	1.21	0.81	1.20

1) See "Net other operating income" on page 23 for specification.

2) Including 50 per cent of profit for the period, except for the full year figures.

DNB – Norway's leading financial services group

DNB Group

As at 31 March 2012

• Total combined assets	NOK	2 636 billion
• Total balance sheet	NOK	2 371 billion
• Net lending to customers	NOK	1 285 billion
• Customer deposits	NOK	806 billion
• Market capitalisation	NOK	119 billion

Insurance and Asset Management

• Total assets under management	NOK	534 billion
<u>of which:</u>		
▪ total assets under management (external clients)	NOK	265 billion
· mutual funds	NOK	63 billion
· discretionary management	NOK	201 billion
▪ total assets in DNB Livsforsikring	NOK	267 billion
· financial assets, customers bearing the risk	NOK	26 billion
▪ total assets in DNB Skadeforsikring	NOK	2 billion

Customer base

- Serving 2.1 million private individuals throughout Norway, of whom 1.5 million use one of the Group's Internet banks and 1.4 million use the Internet in active communication (e-dialogue customers)
- More than 220 000 corporate customers in Norway
- Some 1 000 000 individuals insured in Norway
- Approximately 550 000 mutual fund customers in Norway and 258 institutional asset management clients in Norway and Sweden

Market shares

See Section 3 for market shares.

Distribution network

- 173 domestic DNB branches
- 15 Nordlandsbanken branches
- 9 international branches
- 5 international representative offices
- 159 DNB Baltics and Poland branches
- 6 JSC DNB Bank (Russia) branches
- DNB Luxembourg (subsidiary)
- Internet banking
- Mobile bank and SMS services
- Telephone banking
- Online equities trading in 16 markets
- Online mutual fund trading
- 179 post office counters ¹⁾
- About 1 230 in-store postal outlets ¹⁾
- About 1 670 rural postmen ¹⁾
- About 1 030 in-store banking outlets ²⁾
- 109 DNB Eiendom sales offices
- 28 Postbanken Eiendom sales offices
- 227 Svensk Fastighetsförmedling sales offices
- 14 DNB Livsforsikring sales offices
- 50 DNB Livsforsikring agent companies

1) Provided by Norway Post (the Norwegian postal system).

2) Provided by NorgesGruppen.

Credit ratings from international rating agencies

	Moody's		Standard & Poor's		Dominion Bond Rating Service	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
DNB Bank ASA	Aa3	P-1	A+	A-1	AA	R-1 (high)

DNB's strategy

DNB's vision and values are about putting the customers in focus. By having satisfied customers whose needs for financial services are well met, DNB aims to become the leading bank throughout Norway and a leading international player within selected customer segments, products and geographic areas.

Vision and values

An important target for the Group is to achieve even stronger customer orientation in its operations and improve customer satisfaction.

DNB's vision:

Creating value through the art of serving the customer

DNB will create value for customers, owners, employees and society in general.

DNB's values:

Helpful, professional and show initiative

The values reflect what should characterise DNB in meetings with its customers. Employees who are helpful, professional and show initiative are vital if DNB is to succeed in implementing its strategy.

Strategy

DNB will capitalise on its strengths and unique position. The Group's strategic ambitions are to strengthen and consolidate its position in Norway, achieve profitable international growth and be among the most productive banks in Europe.

Strengthen and consolidate DNB's position in Norway

DNB will build and strengthen long-term relations with high-quality customers by:

- offering extensive distribution – present a uniform corporate image under one brand
- offering a complete range of attractive products which meet customer needs, which includes developing the best mobile phone and online services
- offering competitive prices and products which create value for customers
- engaging in long-term, honest and relevant communication with customers
- meeting the needs of the largest corporate clients in Norway through strong industry expertise and local competitive power

Profitable international operations

DNB will capitalise on its Norwegian expertise to become a leading international player within selected segments and product areas. DNB will build long-term relations with the largest corporate clients and focus on selected industries based on its core competencies.

DNB's target segments are:

- shipping
- energy
- seafood

DNB will further develop its operations in the Baltic region and Poland. The integration of operations and streamlining of the organisation will promote long-term value creation.

Among the most cost-effective market players in Europe

DNB will coordinate group and support functions to ensure consistent deliveries, standardised processes and greater automation.

DNB will give high priority to cost-efficiency by:

- strengthening and coordinating procurement functions in the Group
- coordinating and consolidating IT functions
- standardising and automating products, services and customer service where expedient
- coordinating and rationalising staff and support functions

Long-term ambitions

DNB will give priority to long-term value creation for its shareholders and aims to achieve a return on equity and a market capitalisation which are competitive in relation to its Nordic peers.

Financial targets 2012:

- pre-tax operating profit NOK 22-25 billion in 2012
- return on equity above 13 per cent
- annual effect of cost saving measures of NOK 2.3 billion from year-end 2012
- ordinary cost/income ratio below 46 per cent from year-end 2012

Financial ambitions towards 2015:

- return on equity above 14 per cent
- NOK 30 billion in pre-tax operating profit before write-downs
- NOK 3 billion in total cost reductions
- cost/income ratio below 45 per cent

The financial targets are conditional on relative positive future development in the macroeconomy and in the general framework conditions for the financial services industry.

Capital strategy and dividend policy:

- among the best capitalised financial groups in the Nordic region
- AA level ratings for long-term funding to DNB Bank ASA
- dividend payments representing approximately 50 per cent of annual profits

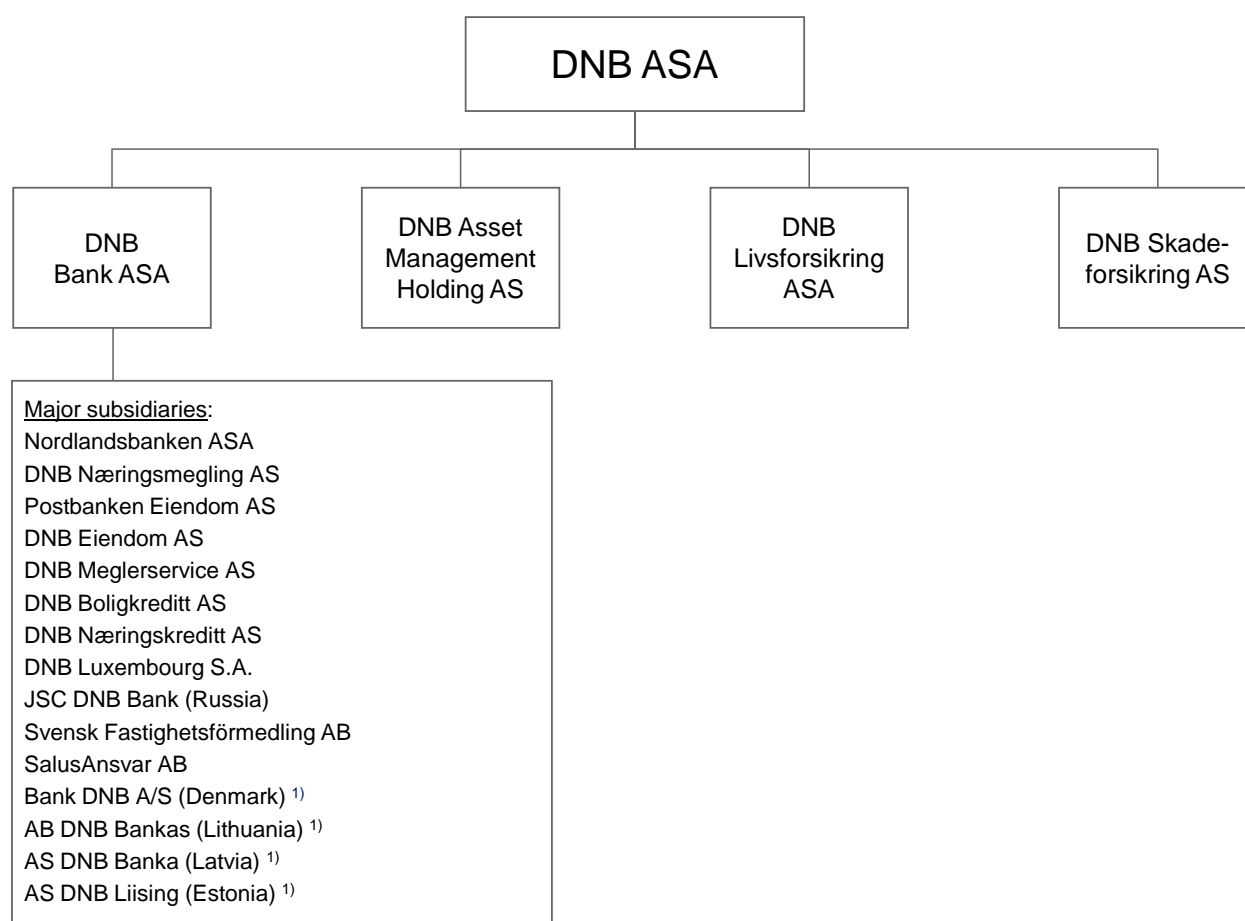
Dividends will be determined on the basis of expected profit levels in a normal situation, external parameters and the need to maintain capital adequacy at a satisfactory level.

Legal structure

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and insurance activities of the DNB Group are organised in separate limited companies under the holding company DNB ASA. Banking activities are organised in DNB Bank ASA and its subsidiaries. All asset management activities are organised under a common holding company, DNB Asset Management Holding AS. DNB Livsforsikring ASA offers life insurance and pension saving products, both products with guaranteed returns and products with a choice of investment profile. DNB Skadeforsikring AS offers non-life insurance products as part of a total product package for retail customers and small and medium-sized companies.

The chart below shows the legal structure of the DNB Group.

DNB Group - legal structure at end-March 2012



1) Operations in DNB Baltics and Poland will be integrated in DNB and are thus under restructuring. As part of the integration, ownership of the banks in Lithuania and Latvia was transferred to DNB at end-June 2011. In the first quarter of 2012 the ownership of AS DNB Liising in Estonia was transferred to Norway. Bank DNB A/S in Denmark still owns the operations in Poland and the branch in Estonia, but the ownership will be transferred as soon as possible in 2012. Following the restructuring, Bank DNB A/S in Denmark will only engage in investment activity.

Group business structure

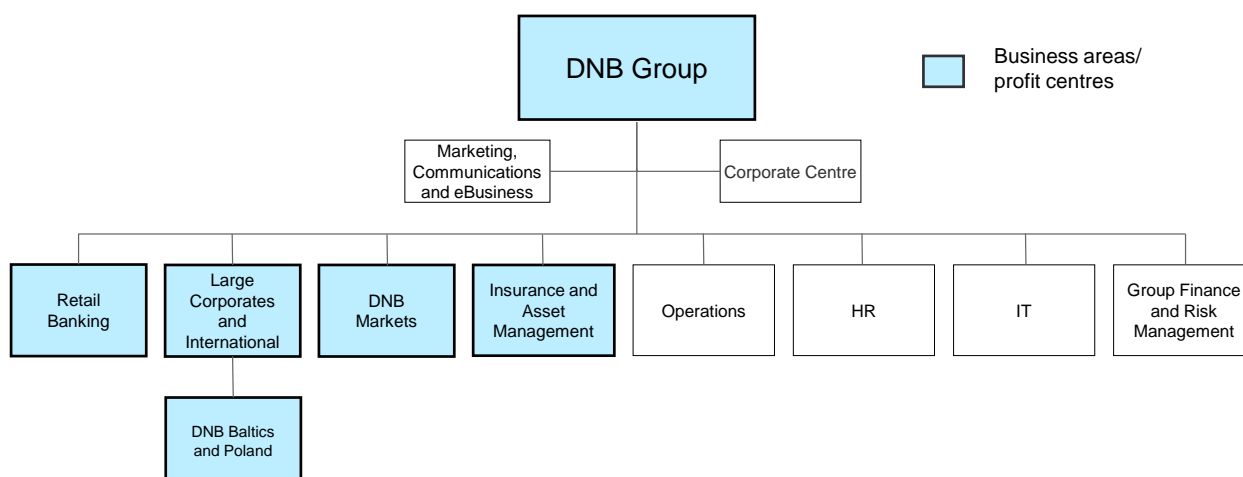
The activities in DNB are organised in the business areas Retail Banking, Large Corporates and International, DNB Markets and Insurance and Asset Management. The business areas operate as independent profit centres and have responsibility for serving the Group's customers and for the total range of products. DNB Baltics and Poland's operations are organised as a separate division in Large Corporates and International, but will also in the future be reported as a separate profit centre.

- *Retail Banking* is responsible for serving private customers and small and medium-sized corporate customers in the regional network in Norway. The organisation will enable the Group to utilise its wide range of products and services and expert skills in an optimal manner by coordinating activities in local markets and thus strengthen relations to customers in all Norwegian market segments.
- The largest corporate clients in Norway and the international customers are served by the business area *Large Corporates and International*. The business area will concentrate on large corporates and further reinforce sound industry expertise.
- *DNB Markets* is the Group's investment firm.
- *Insurance and Asset Management* is responsible for life insurance, pension savings, non-life insurance and asset management in the Group.

Operational tasks and group services are carried out by the Group's staff and support units, which provide infrastructure and cost efficient services to the business areas. In addition, they perform functions for governing bodies and group management. The business areas have the opportunity to influence staff and support units in the Group by changing their demand patterns and levels of ambition.

The operational structure of DNB deviates from its legal structure. The operational structure is adapted to the Group's business operations and should ensure good customer service, innovative product development and more efficient operations. All activities in subsidiaries fall within the business area relevant to the company's primary operations.

DNB Group - organisation chart at end-March 2012 ¹⁾



1) Reporting structure.

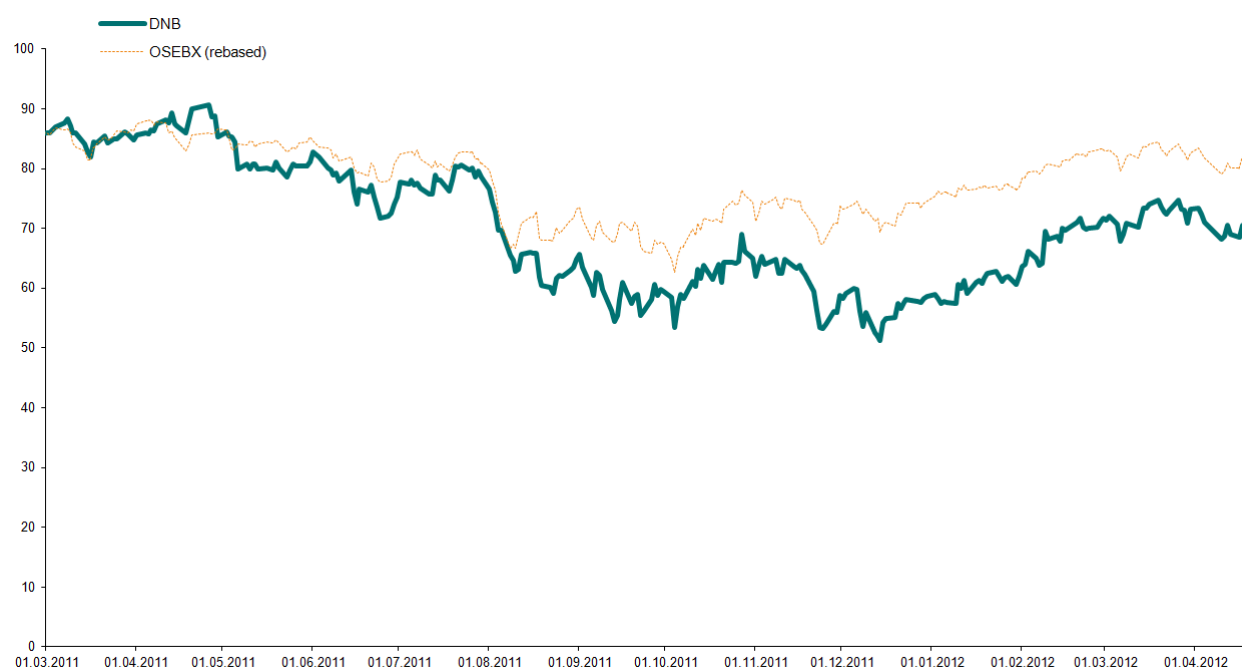
Equity-related data

Key figures

	Jan.-March 2012	2011	2010	2009	2008
Number of shares at end of period (1 000) ¹⁾	1 628 799	1 628 799	1 628 799	1 628 799	1 332 654
Average number of shares (1 000)	1 628 799	1 628 799	1 628 799	1 335 838	1 332 654
Earnings per share (NOK)	1.08	7.98	8.66	6.43	6.91
Return on equity, annualised (%)	6.0	11.4	13.6	10.6	12.4
RARORAC, annualised (%) ²⁾	19.7	16.6	19.0	17.2	13.6
RORAC, annualised (%) ³⁾	9.5	19.1	25.2	12.6	15.3
Share price at end of period (NOK)	73.20	58.55	81.90	62.75	27.00
Diluted share price at end of period, adjusted for rights issue (NOK)	73.20	58.55	81.90	62.75	25.64
Price/earnings ratio ⁴⁾	16.92	7.33	9.50	9.85	3.91
Price/book value ⁵⁾	1.00	0.81	1.20	1.04	0.47
Dividend per share (NOK)	n/a	2.00	4.00	1.75	0.00
Dividend yield (%)	n/a	3.42	4.88	2.79	0.00
Equity per share including allocated dividend at end of period (NOK)	73.38	72.33	68.27	60.56	57.83

- 1) The Annual General Meeting on 25 April 2012 authorised the Board of Directors of DNB ASA to acquire own shares for a total face value of up to NOK 732 959 487, corresponding to 4.5 per cent of share capital. The shares may be purchased through the stock market. Each share may be purchased at a price between NOK 10 and NOK 150. The authorisation is valid for a period of 12 months from 25 April 2012. Acquired shares shall be redeemed in accordance with regulations on the reduction of capital. An agreement has been signed with Norwegian Government/Ministry of Trade and Industry for the redemption of a proportional share of government holdings to ensure that the government's percentage ownership does not change as a result of the redemption of repurchased shares.
- 2) RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to the risk-adjusted capital requirement. Risk-adjusted profits indicate the level of profits in a normalised situation.
- 3) RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to the risk-adjusted capital requirement. Profits for the period exclude profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity and for the difference between recorded interest on average equity and interest on risk-adjusted capital.
- 4) Closing price at end of period relative to annualised earnings per share.
- 5) Closing price at end of period relative to recorded equity at end of period.

Share price development – 1 March 2011 to 20 April 2012

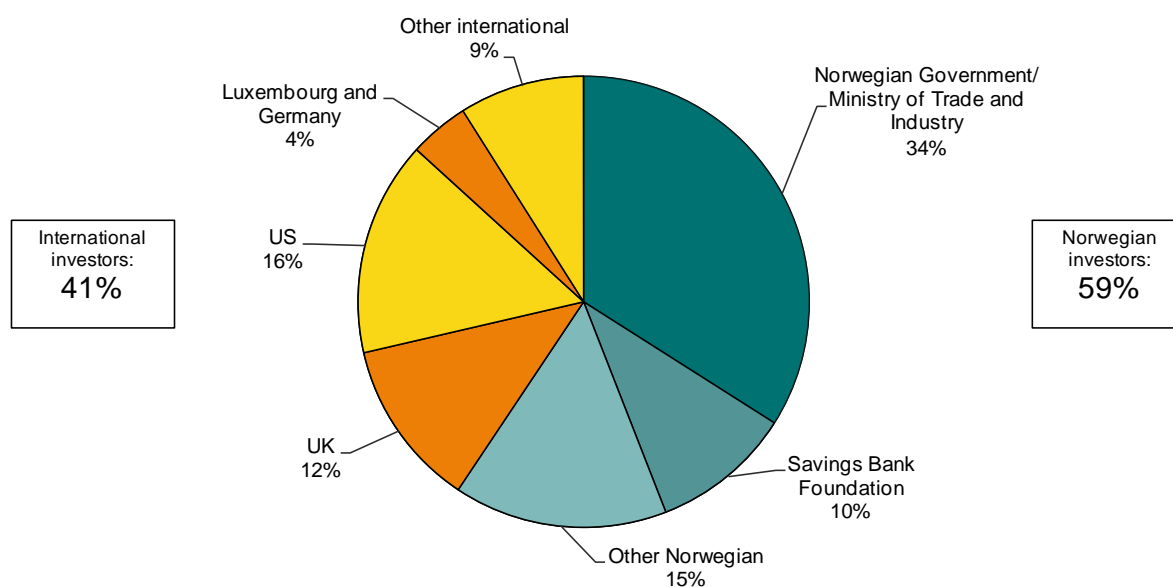


Shareholder structure as at 31 March 2012

Major shareholders

	Shares in 1 000	Ownership in %
Norwegian Government/Ministry of Trade and Industry	553 792	34.00
Sparebankstiftelsen DNB NOR (Savings Bank Foundation)	163 968	10.07
Folketrygdfondet	87 925	5.40
Blackrock Investments	33 653	2.07
Capital Research/Capital International	25 790	1.58
People's Bank of China	24 826	1.52
Fidelity Investments	23 945	1.47
Threadneedle Investment Funds	21 116	1.30
Newton Investment Management	20 318	1.25
DNB Funds	17 963	1.10
Standard Life	15 259	0.94
Jupiter Asset Management	14 357	0.88
Vanguard Investment Funds	13 142	0.81
State Street Global Advisors	12 084	0.74
Schroder Investment	11 420	0.70
Nordea Funds	10 386	0.64
Kuwait Investment Authority Funds	10 328	0.63
T. Rowe Price	9 131	0.56
Legal and General	8 628	0.53
Storebrand Funds	8 189	0.50
Total largest shareholders	1 086 220	66.69
Other	542 578	33.31
Total	1 628 799	100.00

Ownership according to investor category



Accounting principles etc.

Accounting principles

The first quarter accounts 2012 have been prepared according to IAS 34 Interim Financial Reporting. A description of the accounting principles applied by the Group is found in the annual report for 2011. The annual and interim accounts for the Group are prepared according to IFRS principles as endorsed by the EU. The statutory accounts of DNB ASA have been prepared according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS, which implies that recognition and measurements are in accordance with IFRS and that the presentation and note information are in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

The Group's accounting principles and calculation methods are essentially the same as those described in the annual report for 2011. With effect from the first quarter of 2012, however, profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" in the company's internal reporting of business areas. The repossessed operations are included in the Group Centre. The presentation in note 4 Segments in the first quarter report 2012 has been adjusted correspondingly, including comparable figures. The changes are of significance only to the presentation of profits for the individual business areas and have no impact on the presentation of the Group's income statement.

No new or amended accounting standards or interpretations entered into force during the first quarter of 2012, apart from the amendments to IAS 12 Income Taxes described below which have yet to be endorsed by the EU.

Amendments to IAS 12 Income Taxes

The amendments imply that deferred tax on investment property carried at fair value according to IAS 40 Investment Property, as a rule should be determined based on the presumption that the carrying amount of the asset will be recovered through sale rather than use. The amendments also apply to non-depreciable assets recorded at fair value according to the rules in IAS 16 Property, Plant and Equipment. The amendments to IAS 12 entered into force on 1 January 2012 and are expected to be endorsed by the EU in the third quarter of 2012. The amendments are not expected to have any significant impact on the Group's use of accounting principles.

Important accounting estimates and discretionary assessments

When preparing the consolidated accounts, management makes estimates and discretionary assessments and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets, liabilities, income and expenses. A more detailed description of important estimates and assumptions is presented in note 1 Important accounting estimates and discretionary assessments in the annual report for 2011.

Section 2

Financial results DNB Group

Financial results

Income statement – condensed ¹⁾

Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net interest income	6 653	6 792	6 394	6 048	6 018	25 252	23 436
<i>Net commissions and fees, core business ²⁾</i>	1 750	1 632	1 933	2 007	1 864	7 436	7 293
<i>Net financial items ²⁾</i>	(143)	3 967	1 770	1 977	1 604	9 317	8 863
Net other operating income, total	1 607	5 599	3 703	3 984	3 467	16 754	16 156
Total operating expenses before impairment losses for goodwill and intangible assets	5 105	5 206	4 862	4 931	4 793	19 792	17 920
Impairment losses for goodwill and intangible assets	0	380	0	0	0	380	591
Pre-tax operating profit before write-downs	3 156	6 806	5 235	5 101	4 692	21 833	21 081
Net gains on fixed and intangible assets	7	(1)	6	9	5	19	24
Write-downs on loans and guarantees	784	926	1 170	457	892	3 445	2 997
Pre-tax operating profit	2 378	5 878	4 072	4 652	3 805	18 407	18 108
Taxes	618	1 790	1 604	1 116	913	5 423	4 121
Profit from operations held for sale, after taxes	0	0	25	11	(41)	(5)	75
Profit for the period	1 760	4 089	2 493	3 546	2 851	12 979	14 062
Profit attributable to shareholders	1 760	4 089	2 493	3 546	2 851	12 979	14 814
Profit attributable to minority interests	0	0	0	0	0	0	(752)

1) For a more detailed income statement, see page 40.

2) See "Net other operating income" on page 23 for specification.

Mark-to-market changes on own debt and other items not related to underlying operations and non-recurring items

Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Gain on Nordito shareholding	-	-	-	-	-	-	1 170
Total income, other	176	272	1	(105)	78	246	223
Fair value of spreads, basis swap agreements ¹⁾	(2 432)	2 069	1 398	149	(584)	3 031	567
Termination of contractual pension scheme ²⁾	-	-	-	-	-	-	367
Impairment losses for goodwill and intangible assets	0	380	0	0	0	380	591
Effect on pre-tax operating profit before write-downs	(2 256)	1 961	1 398	44	(506)	2 897	1 736

1) Basis swaps are derivative contracts entered into by the bank when issuing senior bonds or raising other long-term funding in the international capital markets and converting the relevant currency to Norwegian kroner. The Norwegian bond market is very small and illiquid, which means that there is a great need for international funding hedged by such instruments. In periods of financial market turbulence, there will be stronger demand for "secure" currencies such as the US dollar. Thus, prices will increase for swaps where USD will be supplied on a future date. When prices of new swap contracts increase, so will the market value of existing swap contracts. This will give a rise in recorded income. However, such changes in value recorded in a quarter will be reversed in subsequent quarters, either because the market is stabilising, such as in the first quarter of 2012, or because the maturity date of the derivative contract is approaching.

2) The contractual pension scheme for early retirement was terminated during 2010, and excess provisions were reversed.

Balance sheet – condensed ¹⁾

<i>Amounts in NOK billion</i>	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Deposits with central banks	433	225	277	16	242
Lending to and deposits with credit institutions	35	29	56	41	73
Net lending to customers	1 285	1 279	1 247	1 202	1 173
Other assets	618	594	603	595	609
Total assets	2 371	2 126	2 183	1 854	2 097
Loans and deposits from credit institutions	353	280	356	207	385
Deposits from customers	806	740	753	648	678
Short-term debt securities issued	272	228	206	170	186
Long-term debt securities issued	445	407	391	368	381
Other liabilities and provisions	374	354	364	349	354
Equity	120	118	114	111	114
Total liabilities and equity	2 371	2 126	2 183	1 854	2 097
Ratio of deposits to net lending (%)	62.7	57.8	60.3	53.9	57.8
Adjusted ratio of deposits to net lending (%) ²⁾	61.5	57.3	58.3	53.9	55.6
Total combined assets	2 636	2 395	2 445	2 125	2 386

1) For a more detailed balance sheet, see page 40.

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

Funding

DNB Bank ASA issues senior debt and subordinated debt. DNB Boligkreditt AS, which is a wholly owned subsidiary of DNB Bank ASA, issues covered bonds. DNB issues bonds through both large public transactions and private placements.

		NOK billion	Maturity	Spread 3-month Euribor	Spread 3-month Nibor
2012	Covered bonds	35.5	7.5	71	99
	Senior bonds	40.8	6.7	174	196
	Total	76.3	7.1	126 bp	151 bp
	Tier 2	5.7			
	Total	82.0			
	In addition LTRO funding	9.0	3.0		

2011	Covered bonds	98.3	6.5	53	68
	Senior bonds	27.8	8.8	108	123
	Total	126.1	7.0	65 bp	80 bp
	In addition LTRO funding	15.7	3.0		

2010	Covered bonds	84.4	7.5	49	
	Senior bonds	32.3	7.3	84	
	Total	116.6	7.5	59 bp	

Financial highlights

	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Cost/income ratio (%) ¹⁾	61.8	42.0	48.2	49.2	50.5	47.1	47.6
Return on equity, annualised (%) ²⁾	6.0	13.8	8.8	12.6	10.3	11.4	13.6
Earnings per share (NOK) ²⁾	1.08	2.51	1.53	2.18	1.76	7.98	8.66
Total combined assets at end of period (NOK billion)	2 636	2 395	2 445	2 125	2 386	2 395	2 147
Equity Tier 1 capital ratio at end of period (%) ³⁾	9.3	9.4	8.8	9.2	9.2	9.4	9.2

1) Excluding impairment losses for goodwill, other intangible assets and reversals of provisions for contractual early retirement pensions. Total income excludes a gain resulting from the merger between the payment services company Nordito and the Danish PBS Holding in the second quarter of 2010.

2) The figures for 2010 are based on profit for the period without adjustment for minority interests due to the purchase of the remaining shares in DnB NORD.

3) Including 50 per cent of profit for the year, except for year-end figures.

Norwegian and international units ¹⁾

Norwegian units

Per cent	1Q12	4Q11	1Q11
Share of Group income	73.5	82.7	81.5
Cost/income ratio	67.5	39.4	49.5
Share of net Group lending to customers	82.0	81.2	82.1
Non-performing and doubtful commitments relative to total commitments	0.8	0.8	1.0
Write-down ratio (per cent) ²⁾	37.0	38.6	34.6
Individual write-downs in relation to net lending, annualised	0.14	0.19	0.14

International units excl. DNB Baltics and Poland/DnB NORD

Per cent	1Q12	4Q11	1Q11
Share of Group income	20.4	12.8	13.4
Cost/income ratio	40.9	45.9	49.1
Share of net Group lending to customers	13.7	14.4	12.9
Non-performing and doubtful commitments relative to total commitments	3.3	2.6	0.8
Write-down ratio (per cent) ²⁾	24.9	26.7	73.7
Individual write-downs in relation to net lending, annualised	0.46	0.39	0.82

DNB Baltics and Poland/DnB NORD ³⁾

Per cent	1Q12	4Q11	1Q11
Share of Group income	6.1	4.5	5.1
Cost/income ratio ⁴⁾	63.2	79.0	71.2
Share of net Group lending to customers	4.2	4.3	5.1
Non-performing and doubtful commitments relative to total commitments	10.2	12.2	13.9
Write-down ratio (per cent) ²⁾	50.1	49.6	40.4
Individual write-downs in relation to net lending, annualised	0.78	2.60	1.51

1) The figures are based on the financial accounts.

2) Write-down ratio includes individual and collective write-downs as a percentage of gross non-performing and gross doubtful commitments.

3) Figures prior to 31 December 2011 also include the former DnB NORD's portfolios in Denmark and Finland.

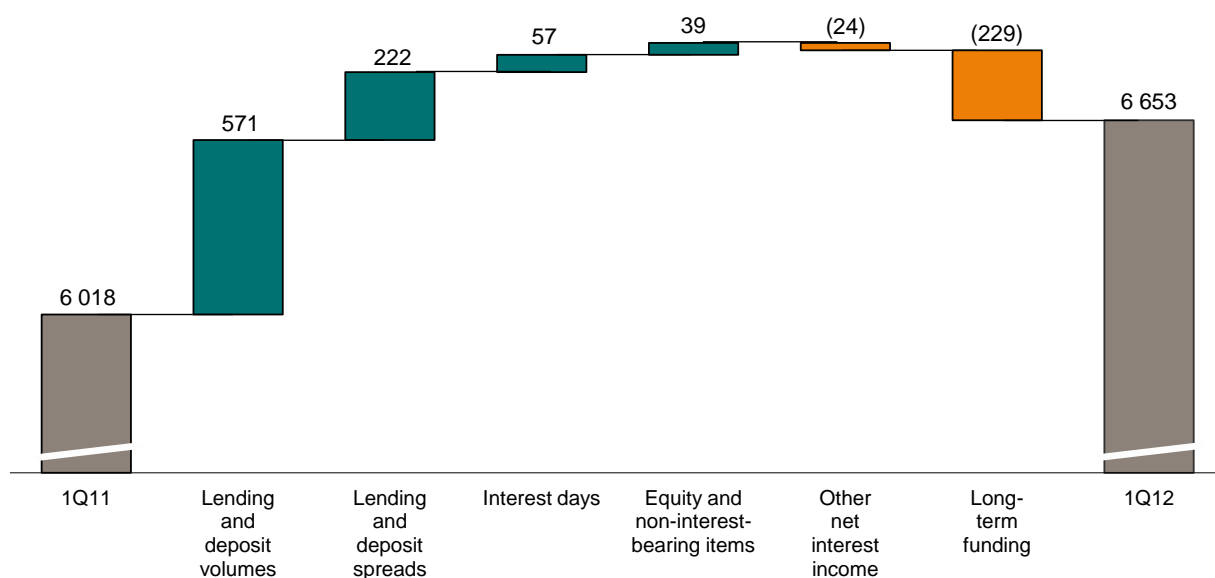
4) Excluding impairment losses for goodwill and intangible assets in the fourth quarter of 2011.

Net interest income

Changes in net interest income

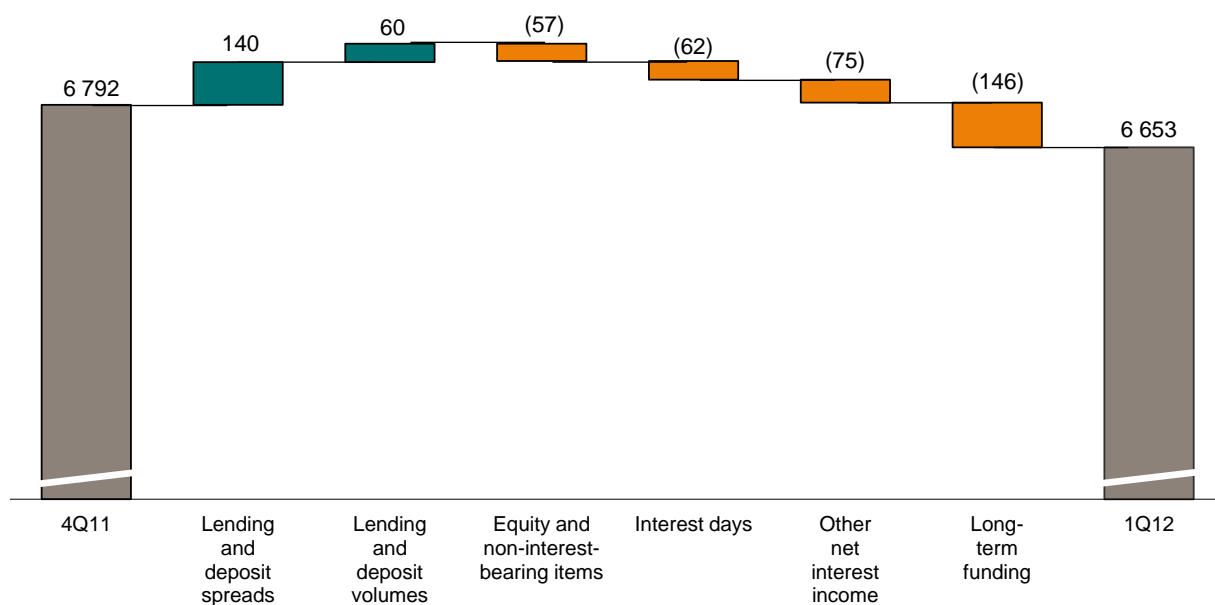
NOK million

From 1st quarter 2011 to 1st quarter 2012



NOK million

From 4th quarter 2011 to 1st quarter 2012



Net interest income

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income ²⁾		
	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11
Lending to customers ¹⁾	1 263 469	1 246 953	1 160 560	1.83	1.64	1.61	5 745	5 170	4 615
Deposits from customers ¹⁾	759 860	730 801	667 778	0.04	0.28	0.29	81	512	471
Equity and non-interest bearing items	84 211	85 721	90 922	2.74	2.99	2.58	573	646	578
Other							254	464	353
Total net interest income							6 653	6 792	6 018

1) Average nominal amounts, excluding impaired loans.

2) Including exchange rate movements.

Segmental interest rate spreads ¹⁾

Per cent	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Lending:							
Retail Banking ^{*)}	1.82	1.57	1.46	1.51	1.63	1.54	1.66
Large Corporates and International	1.81	1.76	1.68	1.62	1.56	1.66	1.44
DNB Baltics and Poland/DnB NORD ²⁾	2.09	1.86	1.80	1.72	1.65	1.75	1.80
Total	1.83	1.64	1.55	1.55	1.61	1.59	1.61

Deposits:							
Retail Banking	0.09	0.43	0.50	0.45	0.40	0.45	0.44
Large Corporates and International	(0.07)	(0.01)	0.01	0.03	0.05	0.02	0.10
DNB Baltics and Poland/DnB NORD ²⁾	0.44	1.07	1.10	0.79	0.66	0.90	0.60
Total	0.04	0.28	0.33	0.31	0.29	0.30	0.32

Combined spread - lending and deposits:							
Retail Banking	1.23	1.18	1.13	1.15	1.21	1.17	1.25
Large Corporates and International	1.06	1.08	1.04	0.99	0.96	1.02	0.93
DNB Baltics and Poland/DnB NORD ²⁾	1.50	1.61	1.59	1.43	1.33	1.49	1.47
Weighted total average	1.16	1.14	1.11	1.10	1.13	1.12	1.15

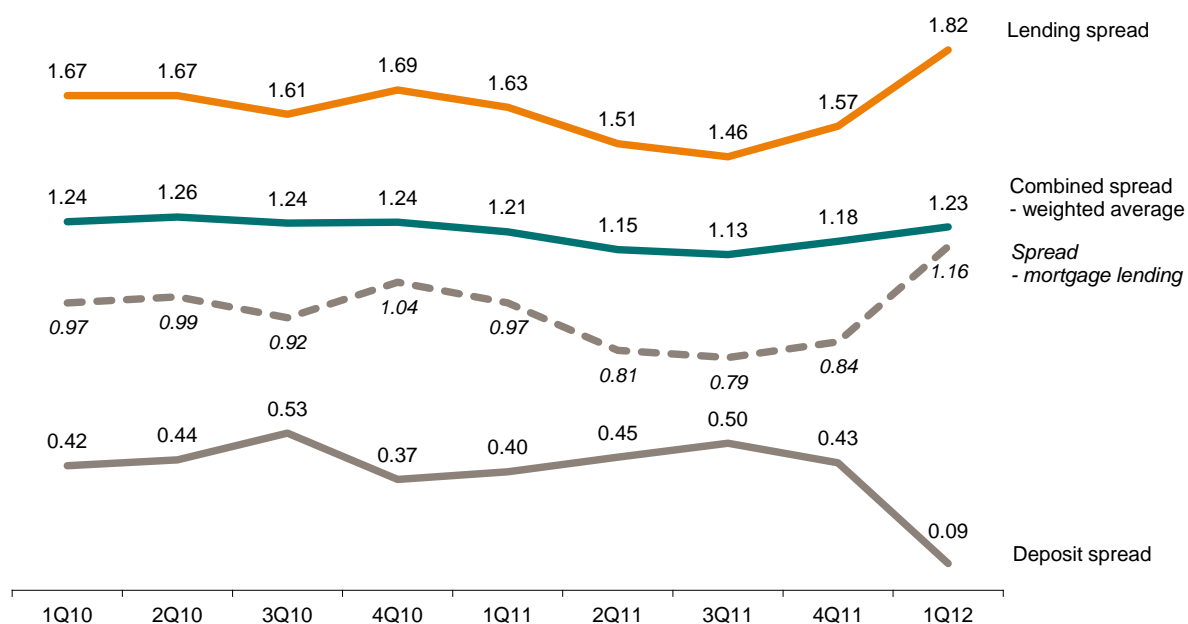
*) of which mortgage lending portfolio 1.16 0.84 0.79 0.81 0.97 0.85 0.98

1) Margins are calculated based on money market rates and do not include additional funding costs related to liquidity measures.

2) Figures prior to 31 December 2011 also include the former DnB NORD's portfolios in Denmark and Finland.

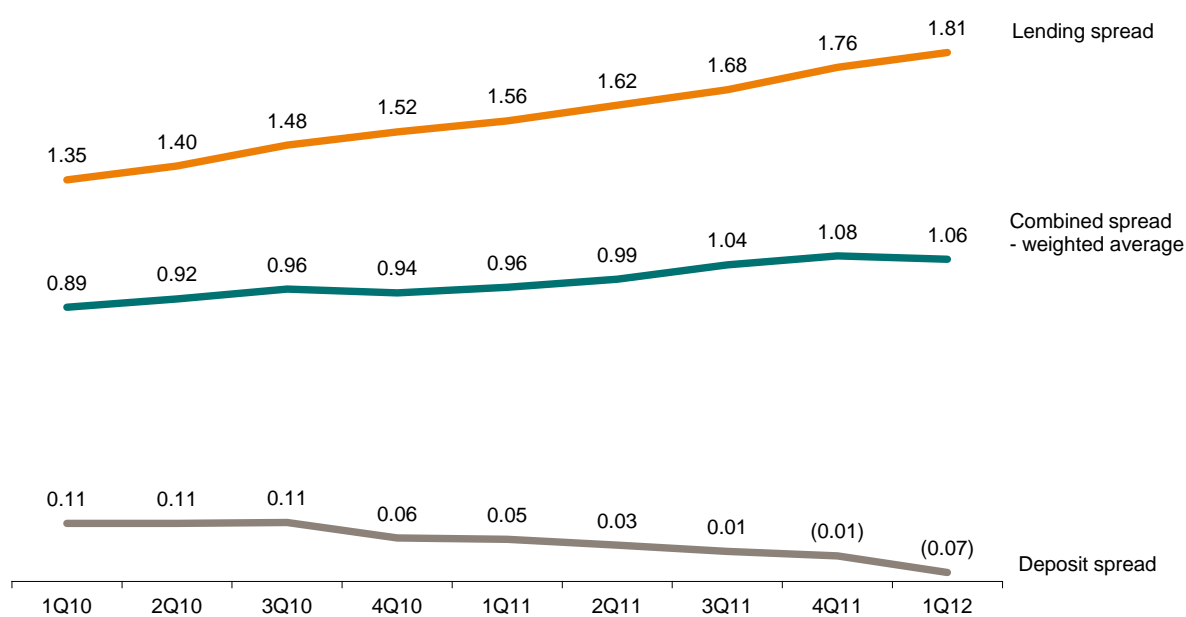
Development in average interest rate spreads – Retail Banking

Per cent



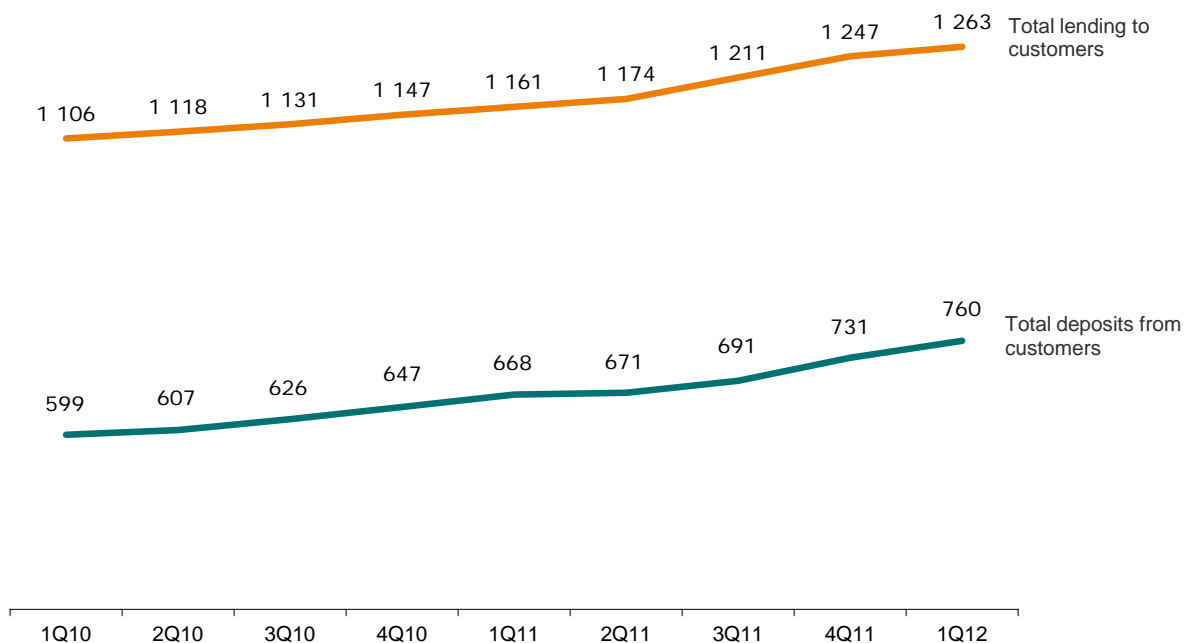
Development in average interest rate spreads – Large Corporates and International

Per cent



Development in average volumes – lending and deposits ¹⁾

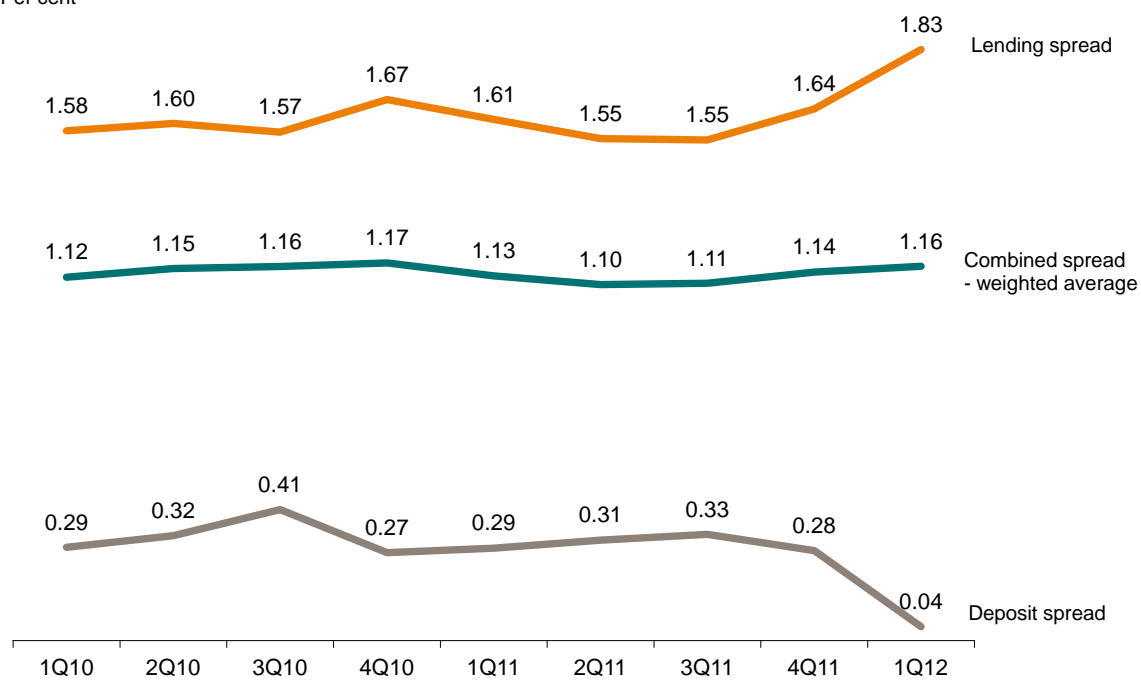
NOK billion



1) Average nominal amounts, excluding impaired loans

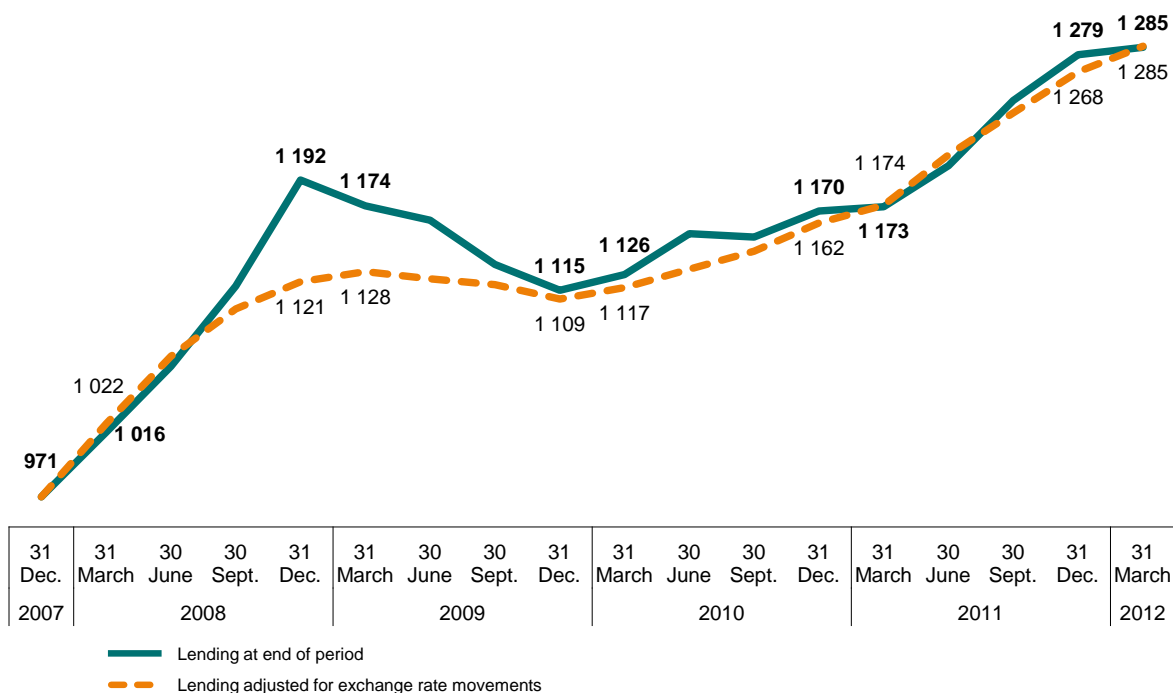
Quarterly development in average interest rate spreads

Per cent



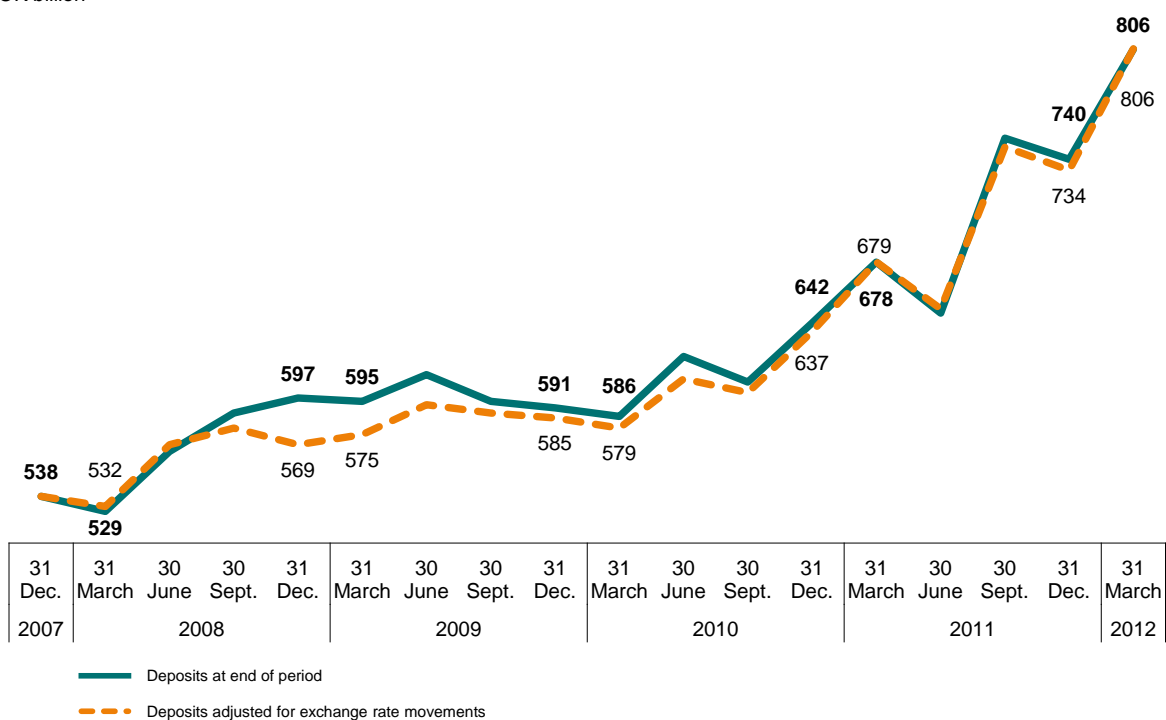
Development in volumes – net lending to customers

NOK billion



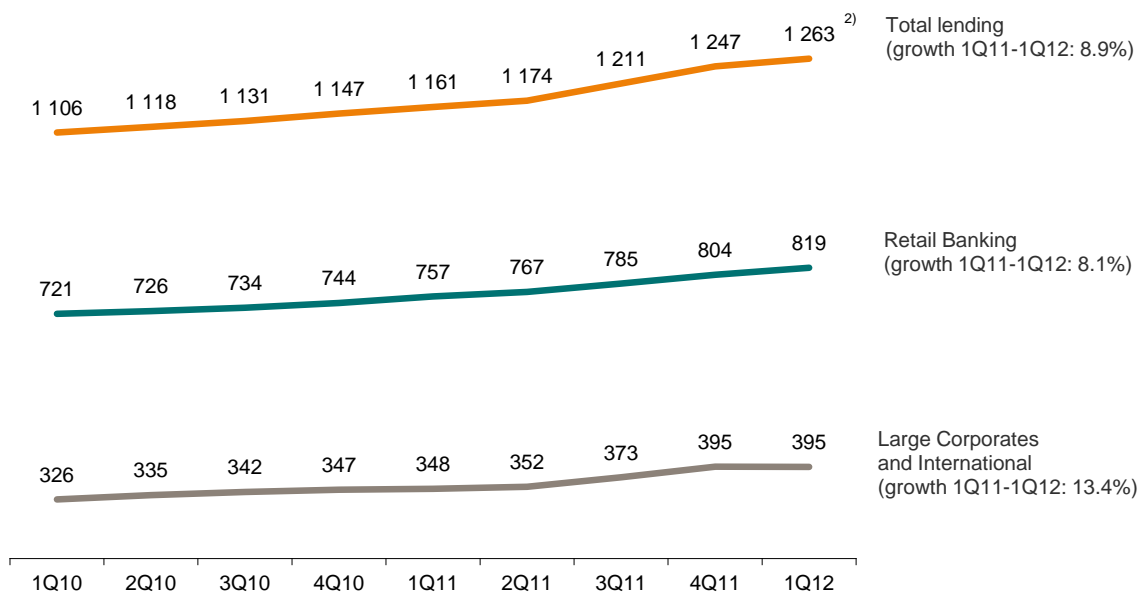
Development in volumes – deposits from customers

NOK billion



Development in average volumes – lending to customers ¹⁾

NOK billion

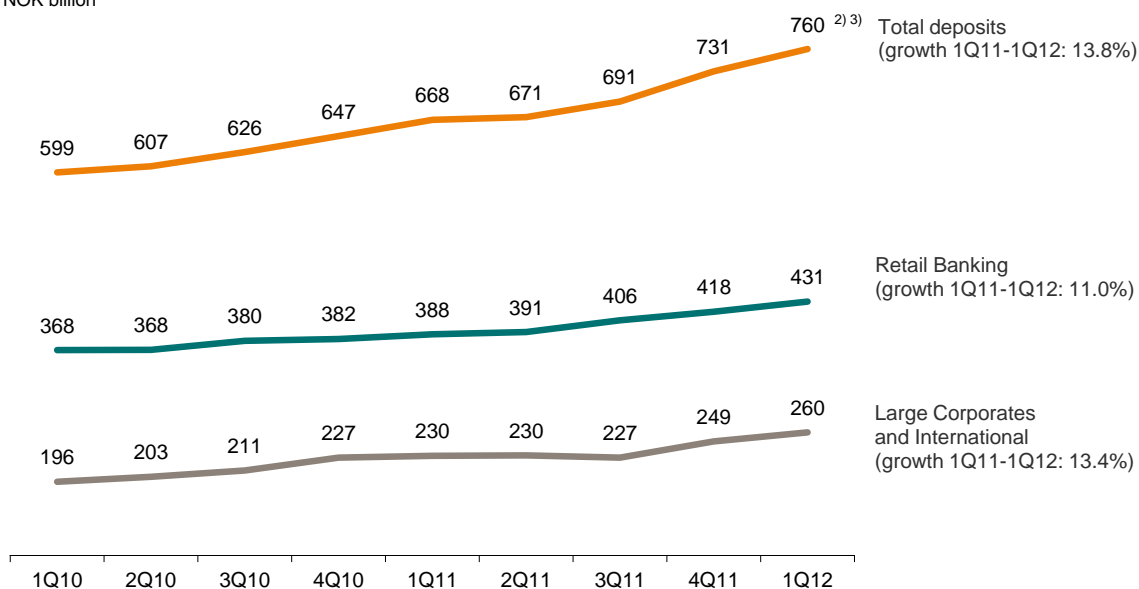


1) Average nominal amounts, excluding impaired loans

2) Of which DNB Baltics and Poland: NOK 49 billion. Total lending excluding DNB Baltics and Poland: NOK 1 214 billion (growth: 11.3%)

Development in average volumes – deposits from customers ¹⁾

NOK billion



1) Average nominal amounts

2) Of which DNB Baltics and Poland: NOK 27 billion. Total deposits excluding DNB Baltics and Poland: NOK 733 billion (growth: 17.5%)

3) Growth in total deposits from 1Q11 to 1Q12 excluding short-term money market deposits: 13.6%

Net other operating income

Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Money transfer and interbank transactions	503	473	497	471	457	1 898	1 802
Asset management services	220	252	221	248	261	982	974
Credit broking	25	4	168	116	107	395	426
Real estate broking	268	260	252	301	199	1 012	860
Custodial services	40	45	43	49	52	189	183
Securities trading	18	18	27	56	76	177	224
Sale of insurance products	616	472	620	647	603	2 343	2 442
Other income from banking services	61	108	105	119	109	440	380
Net commissions and fees, core business	1 750	1 632	1 933	2 007	1 864	7 436	7 293
Net gains on equity investments including dividends	84	(163)	138	147	152	274	969
Corporate finance etc.	185	123	107	107	117	454	608
Profit from companies accounted for by the equity method ¹⁾	225	111	(79)	(28)	72	77	180
Net unrealised gains on investment property	(144)	(132)	93	(1)	9	(32)	0
Other income ²⁾	254	214	187	173	189	763	1 704
Net financial and risk result from DNB Livsforsikring ³⁾	293	190	(862)	322	501	151	1 318
Net premium income/insurance claims, DNB Skadeforsikring	50	63	74	53	53	244	91
Customer trading in FX and interest rate instruments, DNB Markets	403	411	376	296	327	1 410	1 357
FX and interest rate instruments, DNB Markets	1 410	755	404	641	640	2 441	1 434
FX and interest rate instruments, other	(2 902)	2 394	1 331	267	(458)	3 535	1 201
Net financial items	(143)	3 967	1 770	1 977	1 604	9 317	8 863
Net other operating income, total ^{**)}	1 607	5 599	3 703	3 984	3 467	16 754	16 156
<i>As a percentage of total income</i>	<i>19.5</i>	<i>45.2</i>	<i>36.7</i>	<i>39.7</i>	<i>36.6</i>	<i>39.9</i>	<i>40.8</i>

*) Of which:

Net gains on assets in DNB Livsforsikring	4 548	4 255	(5 275)	3 342	3 473	5 795	15 068
Guaranteed returns and allocations to policyholders in DNB Livsforsikring	4 157	4 124	(4 208)	2 884	2 972	5 772	13 500
Premium income etc. included in the risk result in DNB Livsforsikring	1 330	1 291	1 213	1 211	1 226	4 941	4 721
Insurance claims etc. included in the risk result in DNB Livsforsikring	1 442	1 247	1 017	1 355	1 234	4 853	4 977
Net financial and risk result in DNB Livsforsikring	279	176	(871)	314	493	112	1 313
Eliminations in the group accounts	14	14	9	8	8	39	6
Net financial and risk result from DNB Livsforsikring ³⁾	293	190	(862)	322	501	151	1 318

**) Of which:

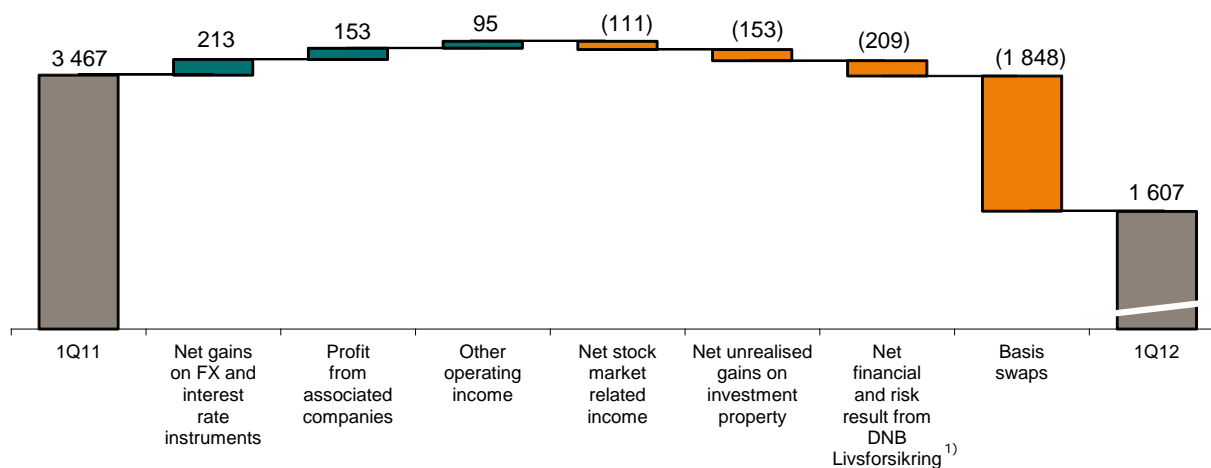
DNB Baltics and Poland/DnB NORD ⁴⁾	203	197	188	165	174	724	627
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- 1) Moody's and Standard & Poor's downgrades of Eksportfinans' credit rating in the fourth quarter of 2011 resulted in sizeable unrealised gains on the company's long-term funding. The effect of such unrealised gains on DNB's holding, after tax, represented NOK 11.8 billion in the fourth quarter of 2011. After reviewing the fair value of the company in connection with the closing of the annual accounts, DNB wrote down the value by an amount corresponding to unrealised gains on Eksportfinans' own debt in the fourth quarter. In the first quarter of 2012, the required rate of return in the market has been reduced, and the Eksportfinans has sizeable unrealised losses on own debt. The write-down made by DNB in the fourth quarter of 2011 has been reversed by an amount corresponding to these unrealised losses. The reversal represented just over NOK 4 billion of DNB's holding after tax. The write-down in 2011 and the reversal in 2012 have been reported on the line "Profit from companies accounted for by the equity method" along with DNB's share of profits from the company.
- 2) Includes a gain of NOK 1 170 million from the merger between the payment services company Nordito and the Danish PBS Holding in the second quarter of 2010.
- 3) For a detailed specification of DNB Livsforsikring's income statement, see page 77.
- 4) Figures prior to 31 December 2011 include all activities in the former DnB NORD.

Changes in net other operating income

NOK million

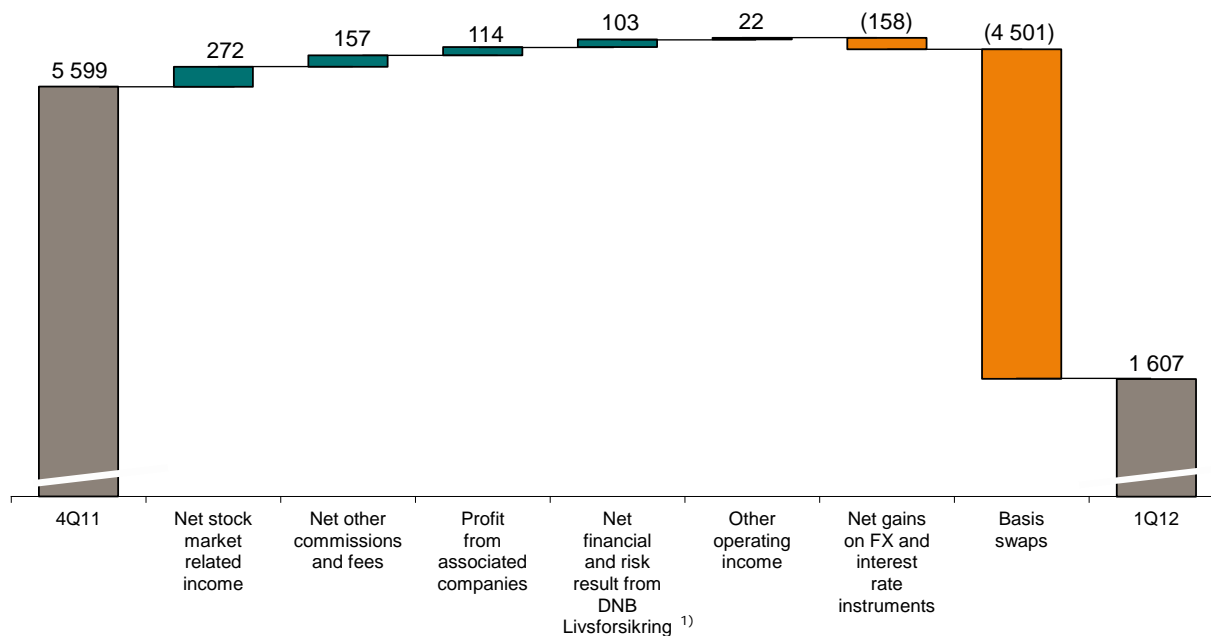
From 1st quarter 2011 to 1st quarter 2012



1) After guaranteed returns and allocations to policyholders

NOK million

From 4th quarter 2011 to 1st quarter 2012



1) After guaranteed returns and allocations to policyholders

Operating expenses

<i>Amounts in NOK million</i>	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Salaries	1 956	1 985	1 931	1 920	1 757	7 594	7 071
Employer's national insurance contributions	289	194	263	265	263	985	1 025
Pension expenses ¹⁾	337	229	250	257	253	989	448
Restructuring expenses	1	12	(4)	1	2	11	36
Other personnel expenses	186	199	163	171	169	701	680
Total salaries and other personnel expenses	2 768	2 618	2 603	2 614	2 444	10 279	9 259
Fees ²⁾	291	526	434	408	407	1 775	1 437
IT expenses ²⁾	499	404	420	401	433	1 658	1 635
Postage and telecommunications	89	97	87	91	95	370	377
Office supplies	23	38	21	23	23	105	99
Marketing and public relations	252	241	218	252	238	949	812
Travel expenses	59	94	54	70	59	277	244
Reimbursement to Norway Post for transactions executed	31	39	43	44	42	167	151
Training expenses	21	25	11	18	22	75	75
Operating expenses on properties and premises	350	354	328	349	352	1 383	1 280
Operating expenses on machinery, vehicles and office equipment	33	38	36	37	36	146	151
Other operating expenses	260	243	168	181	225	816	735
Other expenses	1 907	2 098	1 819	1 874	1 930	7 722	6 995
Impairment losses for goodwill ³⁾	0	190	0	0	0	190	194
Depreciations and write-downs of fixed and intangible assets ⁴⁾	430	680	439	444	419	1 982	2 063
Total depreciations and write-downs of fixed and intangible assets	430	870	439	444	419	2 172	2 256
Total operating expenses	5 105	5 586	4 862	4 931	4 793	20 172	18 511
Of which DNB Baltics and Poland/DnB NORD ⁵⁾	321	823	328	356	345	1 853	1 700

1) Pension expenses for the first quarter of 2010 were reduced by NOK 367 million due to the reversal of provisions for contractual early retirement pensions.

2) Fees include system development fees and must be viewed relative to IT expenses.

3) Impairment losses for goodwill of NOK 190 million relating to DNB Baltics and Poland were recorded in the fourth quarter of 2011.

Impairment losses for goodwill of NOK 194 million relating to Svensk Fastighetsförmedling were recorded in the second quarter of 2010.

4) Including write-downs on IT investments in DNB Baltics and Poland of NOK 191 million in the fourth quarter of 2011 and NOK 346 million in the second quarter of 2010.

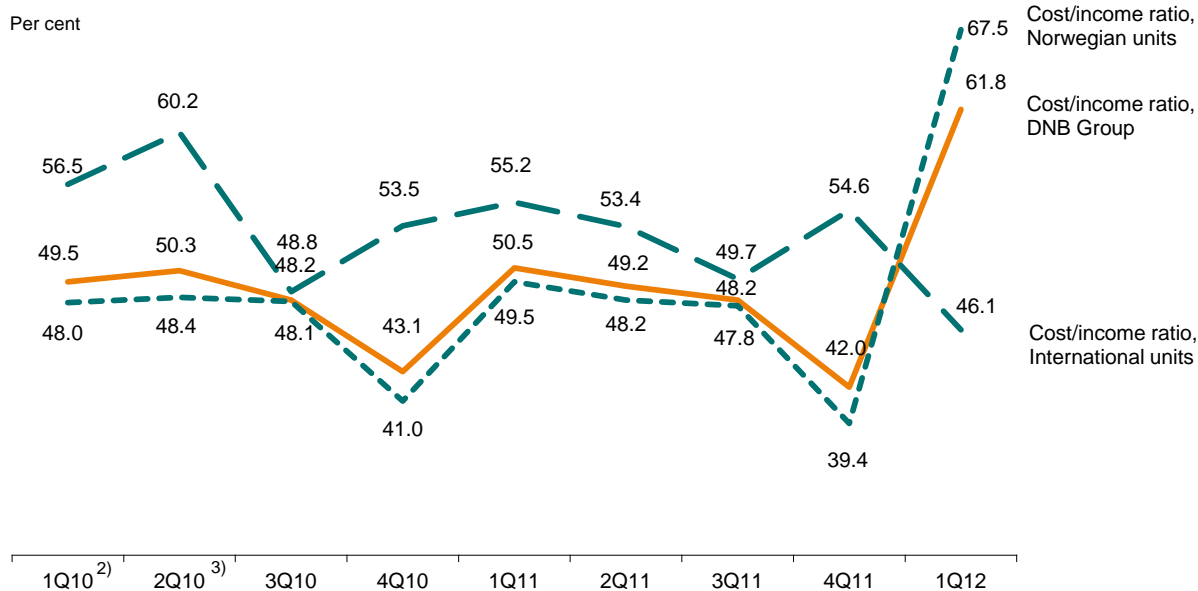
5) Figures prior to 31 December 2011 include all activities in the former DnB NORD.

Changes in operating expenses

Amounts in NOK million	1Q12	Change	1Q11
Total operating expenses	5 105	312	4 793
<i>Income-related items:</i>			
Increase in full-time positions		88	
Operational leasing		22	
Performance-based pay		79	
<i>Expenses directly related to operations:</i>			
Cost programme		(69)	
Wage and price inflation		133	
Rise in pension expenses		84	
Sundry expenses		(24)	

Amounts in NOK million	1Q12	Change	4Q11
Total operating expenses	5 105	(481)	5 586
<i>Non-recurring costs:</i>			
Impairment losses for goodwill and intangible assets		(380)	
<i>Income-related items:</i>			
Performance-based pay		(63)	
<i>Expenses directly related to operations:</i>			
Cost programme		(19)	
Rise in pension expenses		109	
IT expenses		(120)	
Sundry expenses		(8)	

Ordinary cost/income ratio ¹⁾



1) Excluding impairment losses for goodwill and intangible assets.

2) Excluding the reversal of provisions for contractual early retirement pensions.

3) Excluding a gain from the merger between the payment services company Nordito and the Danish PBS Holding.

Number of employees – full-time positions

<i>Full-time positions</i>	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Retail Banking ^{1) 2) 3)}	4 993	5 040	5 001	4 928	4 845
Large Corporates and International	1 143	1 174	1 138	1 117	1 107
DNB Markets	716	698	693	688	677
Operations ³⁾	1 041	993	991	945	946
Insurance and Asset Management	1 047	1 060	1 067	1 047	1 055
DNB Baltics and Poland ⁴⁾	3 321	3 297	3 234	3 169	3 155
Staff and support units ²⁾	1 374	1 359	1 357	1 319	1 242
Total ordinary operations	13 635	13 620	13 481	13 212	13 027

1) The increase in the number of full-time positions in the third and fourth quarter of 2011 was due to increased staff in the distribution network.

2) In the second quarter of 2011, 65 full-time positions were transferred to Marketing, Communications and eBusiness from other parts of the Group, of which 36 full-time positions were transferred from Retail Banking.

3) Since the first quarter of 2011 about 100 full-time positions have been transferred from Retail Banking to Operations.

4) Historical figures for DNB Baltics and Poland include DnB NORD's operations and branches in Finland and Denmark which have been closed down or transferred to DNB in Oslo.

IT expenses

<i>Amounts in NOK million</i>	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
IT operating expenses	521	517	502	510	510	2 039	1 984
Systems development expenses ¹⁾	517	640	565	541	526	2 272	1 958
Total IT expenses ²⁾	1 038	1 157	1 067	1 051	1 036	4 311	3 942

1) Excluding write-downs on IT investments in DNB Baltics and Poland of NOK 346 million in the second quarter of 2010 and of NOK 191 million in the fourth quarter of 2011.

2) Including salaries and indirect costs.

Taxes

The DNB Group's tax charge for the first quarter of 2012 was NOK 618 million, down from NOK 913 million in the year-earlier period. Relative to pre-tax operating profits, the estimated tax charge increased to 26 per cent in the first quarter of 2012, from 24 per cent in the year-earlier period. The higher tax charge was mainly a result of lower tax-exempt gains on equities in 2012.

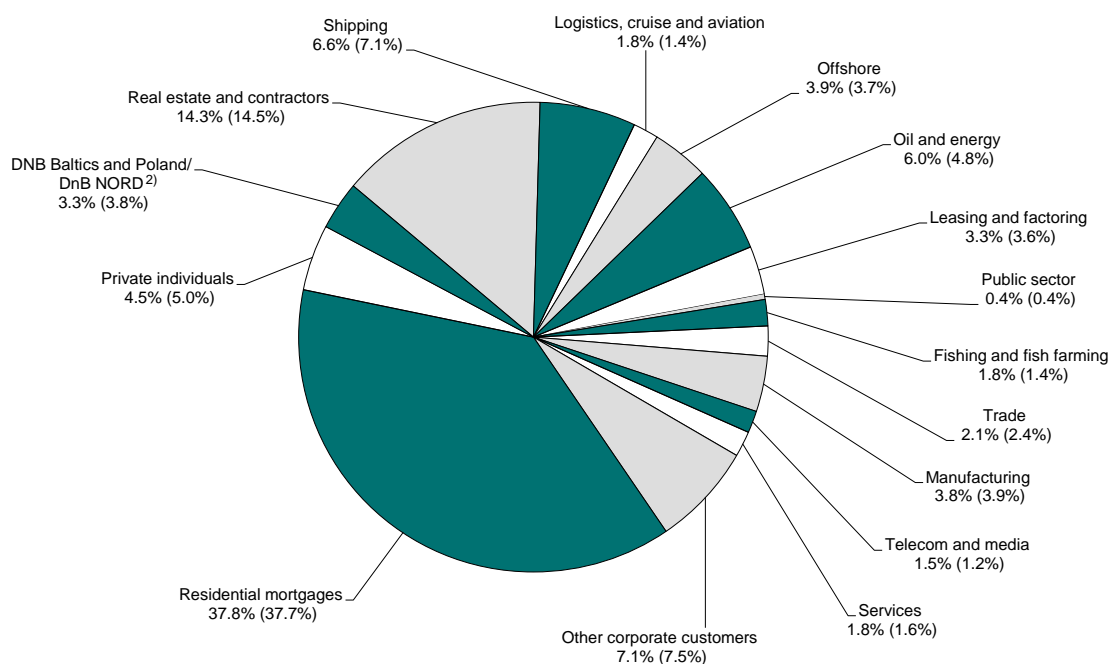
Lending

Net lending to principal customer groups, nominal amounts ¹⁾

<i>Amounts in NOK billion</i>	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Private individuals	610.2	599.9	585.9	573.1	560.5
Transportation by sea and pipelines and vessel construction	135.5	143.9	145.1	126.3	129.4
Real estate	189.6	188.0	187.1	183.7	180.4
Manufacturing	50.0	51.6	47.4	49.6	52.4
Services and management	87.6	86.5	86.9	82.9	73.0
Trade	36.3	36.4	36.9	37.0	37.2
Oil and gas	22.7	24.5	16.5	15.6	14.4
Transportation and communication	31.5	34.3	32.6	31.4	29.5
Building and construction	44.7	43.1	41.1	38.5	35.3
Power and water supply	27.7	28.8	26.1	22.9	22.8
Seafood	17.2	16.9	16.3	14.5	13.2
Hotels and restaurants	4.1	4.1	4.3	4.2	4.2
Agriculture and forestry	7.9	8.9	7.8	7.3	7.3
Central and local government	5.6	6.7	6.4	7.5	5.5
Other sectors	13.4	5.2	6.6	7.3	7.8
Net lending to customers	1 284.1	1 278.9	1 247.1	1 202.0	1 173.1

1) Lending after individual write-downs. The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.

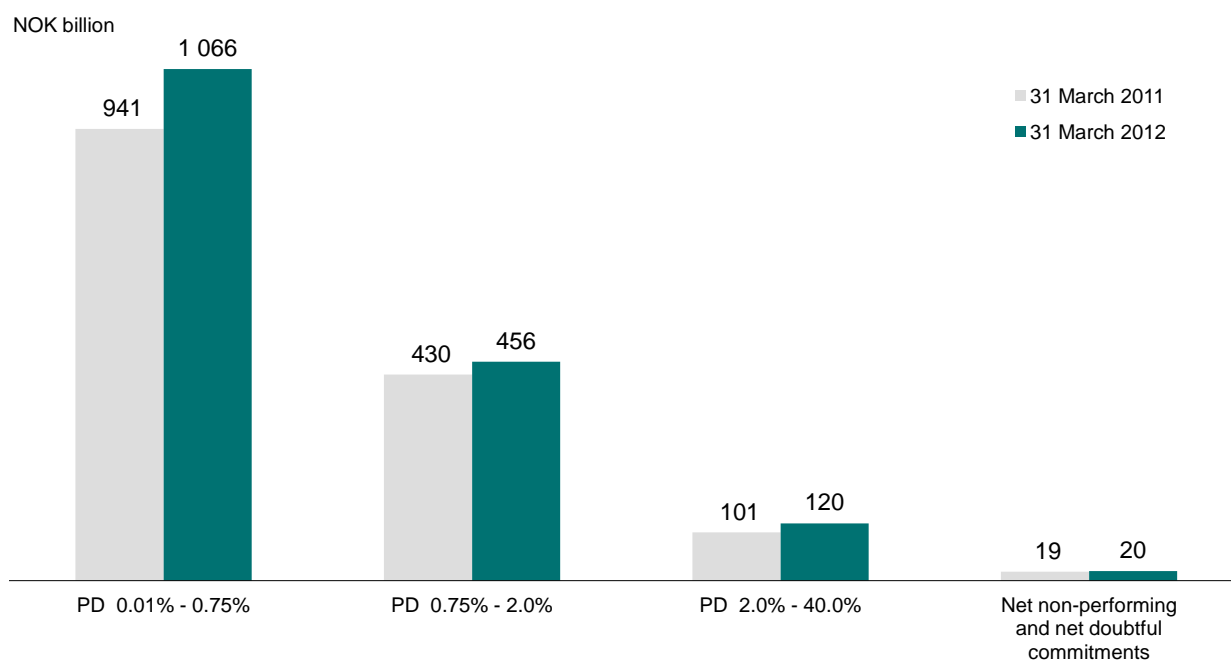
Exposure at default by segments as defined in DNB's management reporting as at 31 March 2012 ¹⁾



1) Distribution of exposure at default based on internal segmentation of customers, excluding net non-performing and net doubtful commitments. Comparable figures as at 31 March 2011 in parentheses.

2) Figures prior to 31 December 2011 also include the former DnB NORD's portfolios in Denmark and Finland.

Risk classification of portfolio ¹⁾



1) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default, except for net non-performing and net doubtful commitments which are net recorded exposures in the accounts.
PD = probability of default.

DNB's risk classification ¹⁾

Risk class	Probability of default (per cent)		External rating	
	As from	Up to	Moody's	Standard & Poor's
1	0.01	0.10	Aaa - A3	AAA - A+
2	0.10	0.25	Baa1 - Baa2	BBB+ - BBB
3	0.25	0.50	Baa3	BBB÷
4	0.50	0.75	Ba1	BB+
5	0.75	1.25	Ba2	BB
6	1.25	2.00		
7	2.00	3.00	Ba3	BB÷
8	3.00	5.00	B1	B+
9	5.00	8.00	B2	B
10	8.00	impaired	B3, Caa/C	B÷, CCC/C

1) DNB's risk classification system, where 1 represents the lowest risk and 10 the highest risk.

The Group's exposure to the PIIGS countries as at 31 March 2012

Amounts in NOK million	Government debt	International bond portfolio DNB Markets ¹⁾	Other units in the bank	Corporate portfolio DNB Livsforsikring	Total DNB Group	Common portfolio DNB Livsforsikring	of which investments in Treasury bonds
Portugal	0	2 121	1	0	2 122	96	0
Ireland	0	2 342	116	0	2 457	481	0
Italy	0	2 501	880	0	3 381	1 388	802
Greece	0	0	0	0	0	3	0
Spain	0	9 435	2 404	0	11 839	3 649	1 483
Total PIIGS	0	16 399	3 401	0	19 801	5 617	2 285

1) Markets' exposure to the PIIGS countries through its international bond portfolio mainly comprises residential mortgage-backed securities (RMBS). The portfolio includes no investments in Treasury bonds.

Write-downs on loans and guarantees

<i>Amounts in NOK million</i>	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Write-offs	82	103	53	351	43	550	459
New individual write-downs	1 005	1 265	1 118	429	1 308	4 120	5 141
Total new individual write-downs	1 087	1 368	1 171	780	1 351	4 670	5 600
Reassessed individual write-downs	298	228	157	273	357	1 015	1 109
Recoveries on commitments previously written off	102	120	94	100	123	437	418
Net individual write-downs	688	1 020	919	408	870	3 217	4 074
Change in collective write-downs on loans	96	(94)	251	50	21	227	(1 077)
Write-downs on loans and guarantees	784	926	1 170	457	892	3 445	2 997
Total write-downs in relation to average volumes, annualised	0.25	0.29	0.38	0.15	0.31	0.28	0.26
- DNB excl. DNB Baltics and Poland	0.24	0.23	0.16	0.10	0.25	0.19	0.15
- DNB Baltics and Poland	0.47	1.56	5.30	1.31	1.44	2.39	2.48

<i>Amounts in NOK million</i>	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
<i>Individual write-downs</i>							
Retail Banking							
- Private Customer Divisions	59	78	38	58	13	186	286
- Small and medium sized enterprises	160	233	128	(45)	96	411	356
- DNB Finans ¹⁾	90	29	106	97	138	370	582
Large Corporates and International							
- Nordic Corporates Division	(12)	144	(3)	145	120	406	28
- International Corporates and Institutions Division	4	29	110	(10)	273	402	249
- Shipping, Offshore and Logistics Division	195	143	17	(13)	13	160	219
- Energy Division	0	1	2	(11)	0	(8)	88
- Other units ²⁾	87	1	(1)	3	(4)	(1)	4
DNB excl. former DnB NORD	582	657	397	223	649	1 926	1 811
<i>Former DnB NORD</i>							
DNB Baltics and Poland	106	237	494	169	202	1 103	1 719
Other units	-	126	28	15	19	188	543
Total individual write-downs	688	1 020	919	408	870	3 217	4 074
<i>Collective write-downs</i>							
DNB excl. DNB Baltics and Poland	138	(44)	43	54	29	82	(628)
DNB Baltics and Poland	(42)	(50)	208	(4)	(8)	146	(449)
Total collective write-downs on loans	96	(94)	251	50	21	227	(1 077)
Write-downs on loans and guarantees	784	926	1 170	457	892	3 445	2 997

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

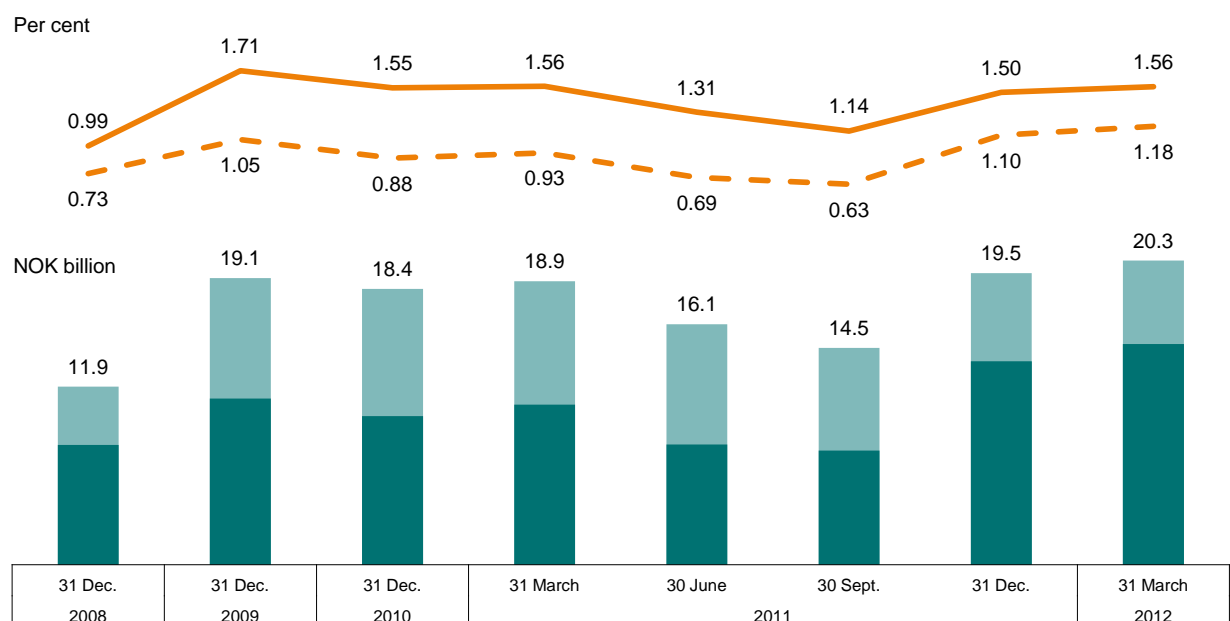
2) In the first quarter of 2012, write-downs of NOK 87 million were made on commitments transferred from the former DnB NORD.

Write-downs on loans and guarantees for principal customer groups ¹⁾

<i>Amounts in NOK million</i>	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Private individuals	164	184	534	214	242	1 174	1 414
Transportation by sea and pipelines and vessel construction	197	196	128	(9)	21	336	281
Real estate	121	279	189	119	151	738	462
Manufacturing	40	63	38	51	19	171	736
Services and management	28	40	38	(35)	92	135	123
Trade	48	166	(9)	26	20	203	240
Oil and gas	35	1	0	0	0	1	3
Transportation and communication	13	3	(1)	4	8	15	103
Building and construction	43	104	0	3	309	416	393
Power and water supply	1	1	2	(11)	1	(7)	158
Seafood	(2)	13	(9)	(1)	0	3	9
Hotels and restaurants	6	(6)	4	3	19	20	76
Agriculture and forestry	(5)	6	4	(5)	11	16	69
Other sectors	2	0	2	0	0	2	9
Total customers	691	1 049	920	360	893	3 222	4 076
Credit institutions	(3)	(29)	(1)	47	(22)	(5)	(2)
Change in collective write-downs on loans	96	(94)	251	50	21	227	(1 077)
Write-downs on loans and guarantees ¹⁾	784	926	1 170	457	892	3 445	2 997
*) Of which individual write-downs on guarantees	49	40	(16)	(6)	8	26	(3)

1) The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.

Net non-performing and net doubtful commitments ^{1) 2)}



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

2) Figures for DNB Baltics and Poland/DnB NORD prior to 31 March 2012 also include the former DnB NORD's portfolios in Denmark and Finland.

— DNB Baltics and Poland/DnB NORD

— DNB Group excl. DNB Baltics and Poland/DnB NORD

— As a percentage of net lending

— As a percentage of net lending excl. DNB Baltics and Poland/DnB NORD

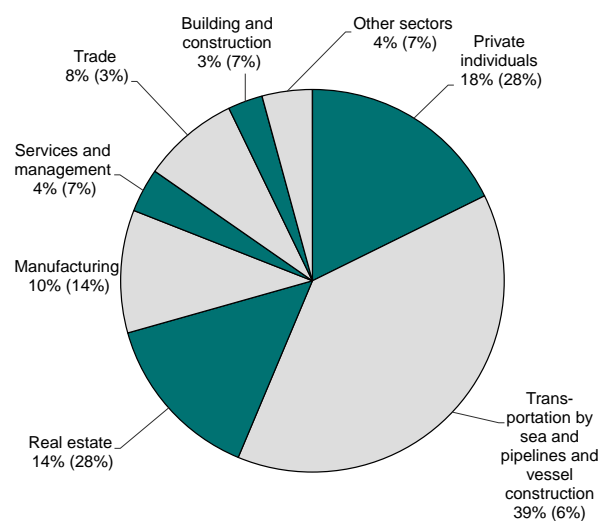
Write-down ratio – net non-performing and net doubtful commitments ¹⁾

Amounts in NOK million	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Non-performing commitments	16 965	16 793	14 439	16 222	16 787
Doubtful commitments	12 621	12 296	9 376	8 671	11 855
Gross non-performing and gross doubtful commitments	29 586	29 089	23 815	24 893	28 642
Individual write-downs	9 289	9 624	9 349	8 840	9 720
Net non-performing and net doubtful commitments	20 297	19 465	14 466	16 053	18 922
Collective write-downs	2 175	2 119	2 204	1 893	1 866
Write-down ratio (per cent)	38.7	40.4	48.5	43.1	40.5
Collateral for non-performing and doubtful commitments	19 425	18 209	14 868	15 961	18 021
Coverage ratio (per cent)	104.4	103.0	110.9	107.2	103.4

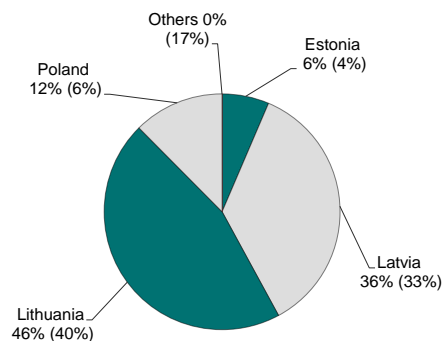
1) Write-down ratio includes individual and collective write-downs as a percentage of gross non-performing and gross doubtful commitments.

Specification of net non-performing and net doubtful commitments ¹⁾

DNB Group excl. DNB Baltics and Poland/DnB NORD ^{2) 3)}
NOK 14 732 million as at 31 March 2012 (10 682)



DNB Baltics and Poland/DnB NORD ³⁾
NOK 5 565 million as at 31 March 2012 (8 240)



- 1) Includes non-performing commitments and, in addition, commitments subject to individual write-downs. Comparable figures as at 31 March 2011 in parentheses.
 2) The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.
 3) Figures prior to 31 December 2011 also include the former DnB NORD's portfolios in Denmark and Finland.

See pages 88-90 for more details on lending and write-downs in DNB Baltics and Poland/DnB NORD.

Net non-performing and net doubtful commitments ¹⁾

<i>Amounts in NOK million</i>	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Retail Banking	6 239	6 272	6 195	6 416	6 855
Large Corporates and International ²⁾	8 493	6 432	1 424	1 617	3 827
DNB Baltics and Poland/DnB NORD ^{2) 3)}	5 565	6 762	6 847	8 020	8 240
Net non-performing and net doubtful commitments ¹⁾	20 297	19 465	14 466	16 053	18 922
*) Of which Norwegian units	8 862	7 903	7 326	7 602	9 525

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

2) In the first quarter of 2012, net non-performing and net doubtful commitments totalling NOK 866 million were transferred to Large Corporates and International.

3) Figures prior to 31 December 2011 also include the former DnB NORD's portfolios in Denmark and Finland.

Development in net non-performing and net doubtful commitments ¹⁾

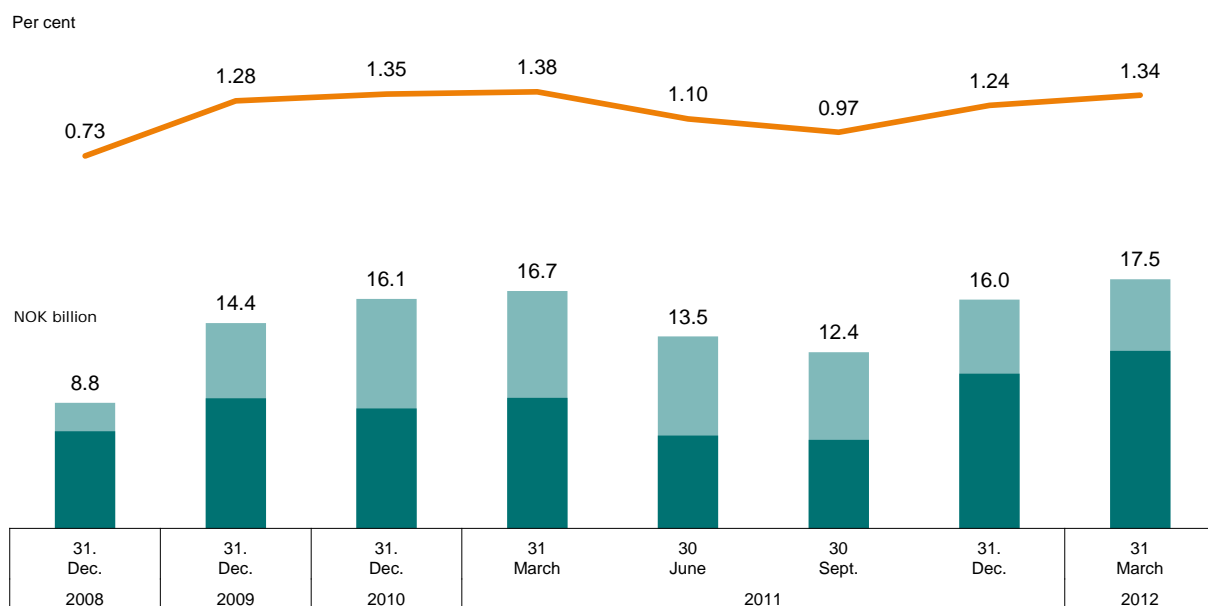
<i>Amounts in NOK million</i>	1Q12		4Q11		3Q11		2Q11		1Q11	
	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers
Net non-performing and net doubtful commitments at beginning of period	4 392	15 073	4 510	9 956	4 981	11 072	5 179	13 743	5 291	13 118
New non-performing and doubtful commitments	749	3 192	670	8 273	563	2 249	817	1 060	863	3 017
Transferred to current commitments	800	2 108	678	2 934	929	2 801	917	3 572	913	2 315
Write-offs etc.	133	68	110	222	106	564	98	159	62	77
Net non-performing and net doubtful commitments at end of period	4 208	16 089	4 392	15 073	4 510	9 956	4 981	11 072	5 179	13 743

1) Of which DNB Baltics and Poland/DnB NORD: ^{*)}

Net non-performing and net doubtful commitments at beginning of period	1 636	4 260	1 734	5 113	2 086	5 934	2 147	6 093	2 196	6 295
New non-performing and doubtful commitments	141	659	60	59	(117)	559	139	141	139	693
Transferred to current commitments	176	954	158	892	235	874	200	298	184	894
Write-offs etc.	1	0	0	20	0	506	0	2	3	0
Net non-performing and net doubtful commitments at end of period	1 600	3 965	1 636	4 260	1 734	5 113	2 086	5 934	2 147	6 093

*) Figures prior to 31 December 2011 also include the former DnB NORD's portfolios in Denmark and Finland.

Net impaired commitments ^{1) 2)}



1) Includes loans and guarantees on which individual write-downs have been recorded.

2) Figures for DNB Baltics and Poland/DnB NORD prior to 31 March 2012 also include the former DnB NORD's portfolios in Denmark and Finland.

■ DNB Baltics and Poland/DnB NORD

■ DNB Group excl. DNB Baltics and Poland/DnB NORD

— As a percentage of net lending

Write-down ratio – net impaired commitments ¹⁾

Amounts in NOK million	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Gross impaired commitments subject to individual write-downs	26 772	25 667	21 713	22 307	26 379
Individual write-downs	9 289	9 624	9 349	8 840	9 720
Net impaired commitments	17 483	16 043	12 364	13 467	16 659
Collective write-downs	2 175	2 119	2 204	1 893	1 866
Write-down ratio (per cent)	42.8	45.8	53.2	48.1	43.9
Collateral for impaired commitments	15 061	14 853	11 615	12 682	14 983
Coverage ratio (per cent)	99.1	103.6	106.7	105.0	100.7

1) Write-down ratio includes individual and collective write-downs as a percentage of gross impaired commitments subject to individual write-downs.

Capital adequacy

The DNB Group follows the Basel II regulations for capital adequacy calculations. Valuation rules used in the statutory accounts form the basis for the consolidation, which is subject to special consolidation rules governed by the Consolidation Regulations.

Primary capital	DNB Bank ASA		DNB Bank Group		DNB Group	
	31 March 2012	31 Dec. 2011	31 March 2012	31 Dec. 2011	31 March 2012	31 Dec. 2011
<i>Amounts in NOK million</i>						
Share capital	18 314	18 314	18 314	18 314	16 275	16 260
Other equity	79 224	79 328	85 875	85 990	101 483	101 555
Total equity	97 538	97 643	104 189	104 304	117 758	117 815
Deductions						
Pension funds above pension commitments	0	0	(29)	(22)	(182)	(126)
Goodwill	(2 413)	(2 419)	(3 793)	(3 834)	(5 679)	(5 741)
Deferred tax assets	(3)	(3)	(641)	(644)	(648)	(651)
Other intangible assets	(1 066)	(1 130)	(2 051)	(2 028)	(2 272)	(2 270)
Dividends payable etc.	0	0	0	0	(3 258)	(3 258)
Unrealised gains on fixed assets	0	0	(30)	(30)	(30)	(30)
50 per cent of investments in other financial institutions	(981)	(1 022)	(1 129)	(1 022)	0	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(588)	(648)	(768)	(835)	(768)	(835)
Adjustments for unrealised losses/(gains) on liabilities recorded at fair value	(24)	(24)	(713)	(713)	(713)	(713)
Equity Tier 1 capital	92 463	92 396	95 035	95 177	104 209	104 191
Perpetual subordinated loan capital securities ^{1) 2)}	5 848	5 973	6 033	6 159	6 033	6 159
Tier 1 capital	98 311	98 370	101 069	101 336	110 242	110 350
Perpetual subordinated loan capital	3 912	4 153	3 912	4 153	3 912	4 153
Term subordinated loan capital ²⁾	18 108	12 773	18 441	13 230	18 441	13 230
Deductions						
50 per cent of investments in other financial institutions	(981)	(1 022)	(1 129)	(1 022)	0	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(588)	(648)	(768)	(835)	(768)	(835)
Additions						
45 per cent of unrealised gains on fixed assets	0	0	18	18	18	18
Tier 2 capital	20 452	15 256	20 474	15 544	21 604	16 566
Total eligible primary capital ³⁾	118 763	113 625	121 543	116 879	131 846	126 916
Risk-weighted volume	845 931	874 786	1 025 601	1 018 586	1 124 249	1 111 574
Minimum capital requirement	67 674	69 983	82 048	81 487	89 940	88 926
Equity Tier 1 capital ratio (%)	10.9	10.6	9.3	9.3	9.3	9.4
Tier 1 capital ratio (%)	11.6	11.2	9.9	9.9	9.8	9.9
Capital ratio (%)	14.0	13.0	11.9	11.5	11.7	11.4
Equity Tier 1 capital ratio including 50 per cent of profit for the period (%)	11.1	-	9.3	-	9.3	-
Tier 1 capital ratio including 50 per cent of profit for the period (%)	11.8	-	9.9	-	9.9	-
Capital ratio including 50 per cent of profit for the period (%)	14.2	-	11.9	-	11.8	-

1) Perpetual subordinated loan capital securities can represent up to 15 per cent of Tier 1 capital. The excess will qualify as Tier 2 capital.

2) As at 31 March 2012, calculations of capital adequacy for the banking group and the DNB Group included a total of NOK 518 million in subordinated loan capital in associated companies.

3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the consolidated accounts since a different consolidation method is used. Associated companies are consolidated gross in the capital adequacy calculations while the equity method is used in the accounts.

Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent relative to the Basel I requirements.

Basel II implementation - further progress

A major reduction in risk-weighted assets is expected upon full implementation of the IRB system. The IRB system is defined as the models, work processes, decision-making processes, control mechanisms, IT systems and internal guidelines and routines used to classify and quantify credit risk. Status and a time schedule for the implementation of the different reporting methods used for the Group's portfolios are shown below.

Portfolios	Reporting methods for credit risk in capital adequacy calculations	
	31 March 2012	31 Dec. 2012
Retail:		
- mortgage loans, DNB Bank and DNB Boligkreditt	IRB ¹⁾	IRB ¹⁾
- qualifying revolving retail exposures, DNB Bank ²⁾	IRB ¹⁾	IRB ¹⁾
- mortgage loans, Nordlandsbanken	Standardised	IRB ¹⁾
- loans in Norway, DNB Finans, DNB Bank	IRB ¹⁾	IRB ¹⁾
Corporates:		
- small and medium-sized corporates, DNB Bank	Advanced IRB	Advanced IRB
- large corporate clients (scorecard models), DNB Bank	Advanced IRB	Advanced IRB
- large corporate clients (simulation models), DNB Bank	Standardised	Advanced IRB
- corporate clients, Nordlandsbanken	Standardised	Advanced IRB
- leasing, DNB Bank	Advanced IRB	Advanced IRB
- corporate clients, DNB Næringskreditt	Standardised	Advanced IRB
Securitisation positions:		
- international bond portfolio, DNB Markets	IRB ¹⁾	IRB ¹⁾
Institutions:		
- banks and financial institutions, DNB Bank	Standardised	Advanced IRB
Exceptions:		
- approved exceptions: government and municipalities, equity positions	Standardised	Standardised
- temporary exceptions: DNB Baltics and Poland, DNB Luxembourg, JSC DNB Bank and various other small portfolios	Standardised	Standardised

1) There is only one IRB approach for retail exposures and securitisation positions.

2) Reported according to the IRB category Retail, other exposures.

Equity Tier 1 capital ratio

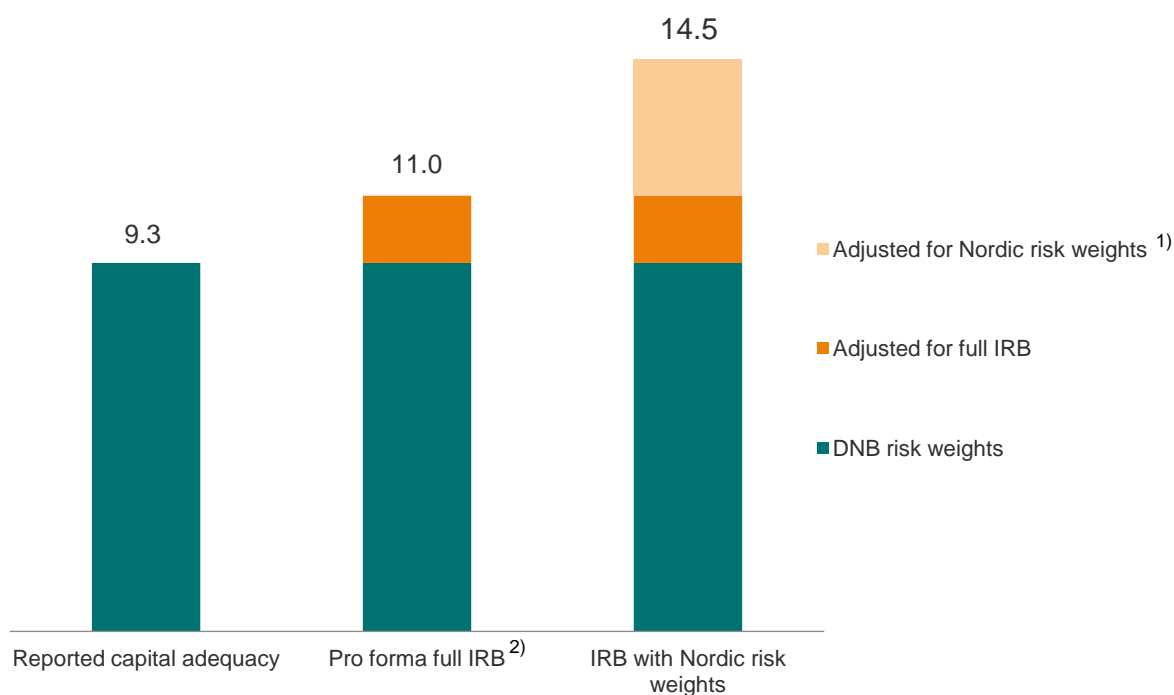
Per cent



1) Including 50 per cent of profit for the period

Equity Tier 1 Capital according to Nordic rules as at 31 March 2012

Per cent



1) DNB's risk weights are conservatively set due to the Norwegian FSA's requirements. In the Nordic – pro forma it is assumed that DNB's risk-weights could be replaced with average observed risk-weights reported by Nordic peers on similar portfolios. For mortgages the risk weights reflects the average of two major Swedish mortgage lenders and for corporate exposures the risk weights reflects the level reported from two other banks in the Nordic region measuring the portfolio according to advanced IRB. It should be noted that the differences in risk-weight may be explained by two factors, different underlying risks and different measurement / calibration of similar risk. It is difficult to quantify the two factors based on available public information. The numbers should therefore be seen as illustrative.

2) Pro forma full IRB reflects what the ratio would have been excluding the transition floor and assuming that portfolios not yet approved by the Norwegian FSA for IRB-measurement will be approved according to the application.

Financial results

Income statement

						Full year	
Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	2011	2010
Total interest income	16 060	15 996	15 424	14 478	14 176	60 075	53 395
Total interest expenses	9 407	9 204	9 030	8 430	8 158	34 823	29 959
Net interest income	6 653	6 792	6 394	6 048	6 018	25 252	23 436
Commissions and fees receivable etc.	2 274	2 087	2 368	2 366	2 314	9 135	9 261
Commissions and fees payable etc.	607	592	580	553	532	2 256	2 220
Net gains on financial instruments at fair value	(1 006)	3 397	2 250	1 351	662	7 661	4 961
Net gains on assets in DNB Livsforsikring	4 562	4 269	(5 266)	3 349	3 481	5 834	15 074
Guaranteed returns and allocations to policyholders in DNB Livsforsikring	4 157	4 124	(4 208)	2 884	2 972	5 772	13 500
Premium income etc. included in the risk result in DNB Livsforsikring	1 330	1 291	1 213	1 211	1 226	4 941	4 721
Insurance claims etc. included in the risk result in DNB Livsforsikring	1 442	1 247	1 017	1 355	1 234	4 853	4 977
Premium income, DNB Skadeforsikring	303	288	292	218	295	1 094	1 009
Insurance claims etc., DNB Skadeforsikring	254	225	218	164	242	849	918
Profit from companies accounted for by the equity method	225	111	(79)	(28)	72	77	180
Net gains on investment property	(144)	(132)	93	(1)	9	(32)	0
Other income	522	474	439	474	388	1 775	2 565
Net other operating income	1 607	5 599	3 703	3 984	3 467	16 754	16 156
Total income	8 261	12 392	10 097	10 032	9 485	42 006	39 592
Salaries and other personnel expenses	2 768	2 618	2 603	2 614	2 444	10 279	9 259
Other expenses	1 907	2 098	1 819	1 874	1 930	7 722	6 995
Depreciation and write-downs of fixed and intangible assets	430	870	439	444	419	2 172	2 256
Total operating expenses	5 105	5 586	4 862	4 931	4 793	20 172	18 511
Pre-tax operating profit before write-downs	3 156	6 806	5 235	5 101	4 692	21 833	21 081
Net gains on fixed and intangible assets	7	(1)	6	9	5	19	24
Write-downs on loans and guarantees	784	926	1 170	457	892	3 445	2 997
Pre-tax operating profit	2 378	5 878	4 072	4 652	3 805	18 407	18 108
Taxes	618	1 790	1 604	1 116	913	5 423	4 121
Profit from operations held for sale, after taxes	0	0	25	11	(41)	(5)	75
Profit for the period	1 760	4 089	2 493	3 546	2 851	12 979	14 062
Profit attributable to shareholders	1 760	4 089	2 493	3 546	2 851	12 979	14 814
Profit attributable to minority interests	0	0	0	0	0	0	(752)
Earnings/diluted earnings per share (NOK)	1.08	2.51	1.53	2.18	1.76	7.98	8.66
Earnings per share excluding operations held for sale (NOK)	1.08	2.51	1.52	2.18	1.78	7.99	8.62

Balance sheet

Amounts in NOK million	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Cash and deposits with central banks	433 396	224 581	276 593	15 828	242 242
Lending to and deposits with credit institutions	35 018	28 754	56 432	41 096	72 781
Lending to customers	1 284 526	1 279 259	1 247 477	1 201 961	1 173 213
Commercial paper and bonds	199 431	177 980	157 164	187 293	195 390
Shareholdings	53 024	53 012	72 069	79 154	75 602
Financial assets, customers bearing the risk	25 770	23 776	22 712	23 689	23 875
Financial derivatives	81 555	96 693	110 664	67 627	71 282
Commercial paper and bonds, held to maturity	168 644	166 965	165 849	165 706	173 167
Investment property	43 049	42 796	42 802	41 134	38 997
Investments in associated companies	2 407	2 189	2 050	2 157	2 346
Intangible assets	7 020	7 003	7 151	7 071	7 174
Deferred tax assets	640	643	505	173	1 262
Fixed assets	6 569	6 336	6 010	5 968	5 842
Assets held for sale	1 092	1 054	1 206	1 172	1 326
Other assets	28 811	15 055	14 417	13 818	12 571
Total assets	2 370 952	2 126 098	2 183 100	1 853 848	2 097 070
Loans and deposits from credit institutions	353 395	279 553	356 347	207 494	384 704
Deposits from customers	805 985	740 036	752 660	647 880	678 402
Financial derivatives	56 039	64 365	75 908	51 018	59 165
Debt securities issued	717 598	635 157	596 266	538 314	566 214
Insurance liabilities, customers bearing the risk	25 770	23 776	22 712	23 689	23 875
Liabilities to life insurance policyholders in DNB Livsforsikring	218 093	212 271	209 889	213 390	212 773
Insurance liabilities, DNB Skadeforsikring	1 945	1 589	1 644	1 445	900
Payable taxes	356	634	3 729	2 092	4 577
Deferred taxes	4 856	4 897	205	219	185
Other liabilities	34 342	17 550	19 188	25 315	17 437
Liabilities held for sale	361	383	360	331	350
Provisions	525	787	560	560	586
Pension commitments	3 149	3 123	3 360	3 369	3 365
Subordinated loan capital	29 021	24 163	26 495	27 702	30 503
Total liabilities	2 251 434	2 008 284	2 069 325	1 742 819	1 983 037
Minority interests	0	0	0	0	0
Share capital	16 275	16 260	16 273	16 253	16 251
Share premium reserve	22 609	22 609	22 609	22 609	22 609
Other equity	80 634	78 946	74 894	72 167	75 173
Total equity	119 518	117 815	113 776	111 028	114 033
Total liabilities and equity	2 370 952	2 126 098	2 183 100	1 853 848	2 097 070

Key figures

						Full year	
	1Q12	4Q11	3Q11	2Q11	1Q11	2011	2010
Interest rate analysis							
1 Combined weighted total average spread for lending and deposits (%)	1.16	1.14	1.11	1.10	1.13	1.12	1.15
2 Average spread for ordinary lending to customers (%)	1.83	1.64	1.55	1.55	1.61	1.59	1.61
3 Average spread for deposits from customers (%)	0.04	0.28	0.33	0.31	0.29	0.30	0.32
Rate of return/profitability							
4 Net other operating income, per cent of total income	19.5	45.2	36.7	39.7	36.6	39.9	40.8
5 Cost/income ratio (%)	61.8	42.0	48.2	49.2	50.5	47.1	47.6
6 Return on equity, annualised (%)	6.0	13.8	8.8	12.6	10.3	11.4	13.6
7 RARORAC, annualised (%)	19.7	16.2	11.5	18.9	20.2	16.6	19.0
8 RORAC, annualised (%)	9.5	23.3	13.4	21.9	17.8	19.1	25.2
9 Average equity including allocated dividend (NOK million)	118 271	117 766	112 649	112 536	112 785	113 934	103 292
10 Return on average risk-weighted volume, annualised (%)	0.63	1.50	0.92	1.36	1.12	1.22	1.17
Financial strength							
11 Equity Tier 1 capital ratio at end of period (%)	9.3	9.4	8.4	8.9	9.1	9.4	9.2
12 Equity Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	9.3	-	8.8	9.2	9.2	-	-
13 Tier 1 capital ratio at end of period (%)	9.8	9.9	9.0	9.5	9.8	9.9	10.1
14 Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	9.9	-	9.3	9.8	10.0	-	-
15 Capital ratio at end of period (%)	11.7	11.4	10.6	11.4	11.8	11.4	12.4
16 Capital ratio incl. 50 per cent of profit for the period (%)	11.8	-	11.0	11.7	12.0	-	-
17 Tier 1 capital at end of period (NOK million)	110 242	110 350	100 839	101 029	102 349	110 350	103 368
18 Risk-weighted volume at end of period (NOK million)	1 124 248	1 111 574	1 126 388	1 064 474	1 039 491	1 111 574	1 028 404
Loan portfolio and write-downs							
19 Individual write-downs relative to average net lending to customers, annualised	0.22	0.32	0.30	0.14	0.30	0.27	0.36
20 Write-downs relative to average net lending to customers, annualised	0.25	0.29	0.38	0.15	0.31	0.28	0.26
21 Net non-performing and net doubtful commitments, per cent of net lending	1.56	1.50	1.14	1.31	1.56	1.50	1.55
22 Net non-performing and net doubtful commitments at end of period (NOK million)	20 297	19 465	14 466	16 053	18 922	19 465	18 409
Liquidity							
23 Ratio of customer deposits to net lending to customers at end of period (%)	62.7	57.8	60.3	53.9	57.8	57.8	54.8
Total assets owned or managed by DNB							
24 Customer assets under management at end of period (NOK billion)	510	506	496	510	527	506	515
25 Total combined assets at end of period (NOK billion)	2 636	2 395	2 445	2 125	2 386	2 395	2 147
26 Average total assets (NOK billion)	2 269	2 196	2 139	2 166	2 091	2 148	1 970
27 Customer savings at end of period (NOK billion)	1 317	1 246	1 249	1 158	1 205	1 246	1 157
Staff							
28 Number of full-time positions at end of period	13 635	13 620	13 481	13 212	13 027	13 620	13 021
The DNB share							
29 Number of shares at end of period (1 000)	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799
30 Average number of shares (1 000)	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799
31 Earnings per share (NOK)	1.08	2.51	1.53	2.18	1.76	7.98	8.66
32 Earnings per share excluding operations held for sale (NOK)	1.08	2.51	1.52	2.18	1.78	7.99	8.62
33 Dividend per share (NOK)	-	-	-	-	-	2.00	4.00
34 Total shareholder's return (%)	25.0	(1.4)	(21.0)	(7.2)	3.6	(25.2)	33.9
35 Dividend yield (%)	-	-	-	-	-	3.42	4.88
36 Equity per share including allocated dividend at end of period (NOK)	73.38	72.33	69.85	68.17	70.01	72.33	68.27
37 Share price at end of period (NOK)	73.20	58.55	59.40	75.20	84.85	58.55	81.90
38 Price/earnings ratio	16.92	5.82	9.78	8.64	11.91	7.33	9.50
39 Price/book value	1.00	0.81	0.85	1.10	1.21	0.81	1.20
40 Market capitalisation (NOK billion)	119.2	95.4	96.8	122.5	138.2	95.4	133.4

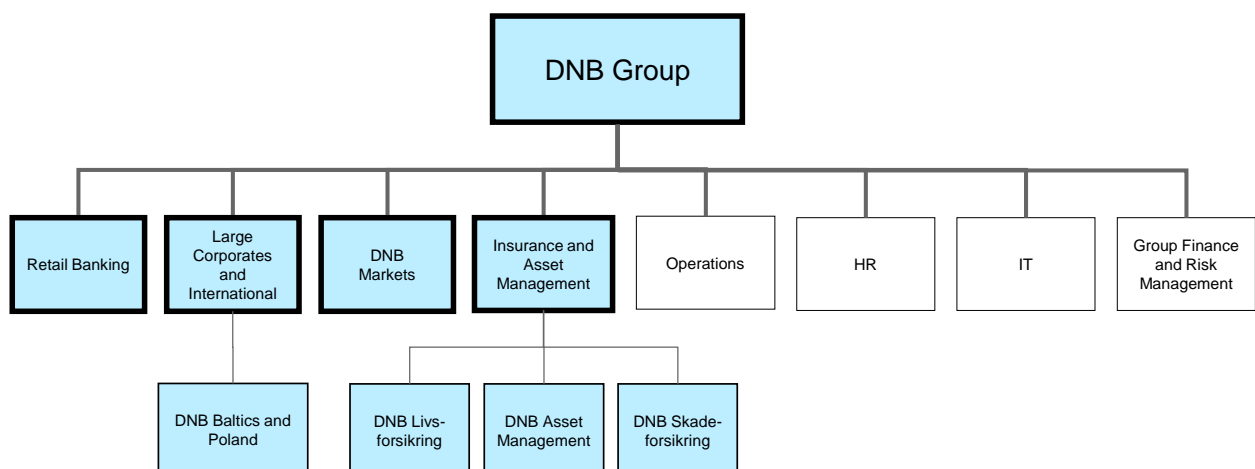
For definitions of selected key figures, see next page.

Definitions to key figures

- 1, 2, 3 Based on nominal values excluding impaired loans, measured against the 3-month money market rate.
- 5 Total operating expenses relative to total income. Total expenses exclude impairment losses for goodwill and other intangible assets and reversals of provisions for contractual early retirement pensions. Total income excludes a gain resulting from the merger between the payment services company Nordito and the Danish PBS Holding in the second quarter of 2010.
- 6 Profit for the period, excluding profit attributable to minority interests. Average equity is calculated on the basis of recorded equity excluding minority interests.
- 7 RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to risk-adjusted capital requirement. Risk-adjusted profits indicate the level of profits in a normalised situation. The risk-adjusted capital requirement is described in further detail in note 4 "Segments" in DNB Group's first quarter report 2012.
- 8 RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement. Profits for the period exclude profits attributable to minority interests and are adjusted for the difference between recorded interest on average equity and interest on risk-adjusted capital.
- 10 Profit for the period relative to average risk-weighted volume.
- 24 Total assets under management for customers in Insurance and Asset Management.
- 25 Total assets and customer assets under management.
- 27 Total deposits from customers, assets under management and equity-linked bonds.
- 29 The Annual General Meeting on 25 April 2012 authorised the Board of Directors of DNB ASA to acquire own shares for a total face value of up to NOK 732 959 487, corresponding to 4.5 per cent of share capital. The shares may be purchased through the stock market. Each share may be purchased at a price between NOK 10 and NOK 150. The authorisation is valid for a period of 12 months from 25 April 2012. Acquired shares shall be redeemed in accordance with regulations on the reduction of capital. An agreement has been signed with Norwegian Government/Ministry of Trade and Industry for the redemption of a proportional share of government holdings to ensure that the government's percentage ownership does not change as a result of the redemption of repurchased shares.
- 31 Excluding profits attributable to minority interests. Holdings of own shares are not included in calculations of earnings per share.
- 32 Excluding operations held for sale and profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
- 34 Closing price at end of period less closing price at beginning of period, including dividends reinvested in DNB shares on the dividend payment date, relative to closing price at beginning of period.
- 36 Equity at end of period excluding minority interests relative to number of shares at end of period.
- 38 Closing price at end of period relative to annualised earnings per share.
- 39 Closing price at end of period relative to recorded equity at end of period.
- 40 Number of shares multiplied by the closing share price at end of period.

Section 3

Business areas



Business areas – financial performance

DNB's business areas: Retail Banking, Large Corporates and International, DNB Markets and Insurance and Asset Management are independent profit centres carrying responsibility for customer segments served by the Group and the products offered. In addition, operations in the Baltics and Poland Division are reported as a separate profit centre. DNB took over all the shares in DNB NORD with effect from year-end 2010. The operations in the Baltics have been more closely integrated in DNB, and a new strategy has been prepared for operations in these countries, while the strategy for Poland is in the process of being drawn up.

The income statement and balance sheet for the business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DNB Group into business areas. Figures for the business areas are based on DNB's management model and the Group's accounting principles. Historical figures are restated in accordance with the current organisational structure and the Group's current principles for allocating costs and capital between business areas. The figures for business areas are based on a number of assumptions, estimates and discretionary distributions. Internal transfer rates used between the business areas are determined based on observable market rates, e.g. NIBOR. Additional costs relating to the Group's long-term funding are charged to the business areas. According to the Group's liquidity management policy, 90 per cent of lending is financed through stable deposits and long-term funding. The additional costs thus arising were charged to the business areas. In the management accounts, Retail Banking and Large Corporates and International are measured based on the business areas' ordinary operations. Volatile IFRS effects are not allocated to the business areas.

With effect from the first quarter of 2012, profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" in the business areas. The repossessed operations are included in the Group Centre. Figures for previous periods have been restated.

Return on capital for the business areas are presented in the descriptions of each area in this section. Return on capital is measured as the business area's profits after taxes relative to the required average risk adjusted capital, and the quarterly figures are annualised. The areas' risk-adjusted capital requirements are based on the risk involved in operations. The capital requirements are measured in accordance with DNB's total risk model.

Internal pricing

DNB's financial management model and operational organisation entail the sale of products and services between the business areas in the Group. The pricing of such intra-group transactions is regulated by internal agreements based on market terms.

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, operating income and expenses relating to some of these customers and transactions are recorded in the accounts of the relevant business areas. This refers primarily to income from customer trading in DNB Markets, but also includes income from Insurance and Asset Management. Such double entries are presented under "Income attributable to product suppliers", related costs under "Costs attributable to product suppliers" and write-downs under "Write-downs attributable to product suppliers". In the first quarter of 2012, net result from such transactions totalled NOK 488 million. Double entries are eliminated in the group accounts.

Services provided by staff and support units will as far as possible be scaled and priced according to use. Joint expenses incurred by group staff units and other group expenditures that cannot be debited according to use, are charged to the business areas' accounts on the basis of special distribution formulas. Costs relating to the Group's equity transactions, including strategic investments, and direct shareholder-related expenses and costs concerning the Group's governing bodies are not charged to the business areas.

Changes in net interest income

<i>Amounts in NOK million</i>	1Q12	Change 4Q11-1Q12	Change 1Q11-1Q12
Net interest income	6 653	(139)	635
Retail Banking	3 858	45	247
Large Corporates and International	2 360	(80)	537
DNB Markets	238	(7)	(6)
Insurance and Asset Management	(8)	(17)	(18)
DNB Baltics and Poland	277	(53)	(46)
Other	(71)	(28)	(79)

Changes in net other operating income

<i>Amounts in NOK million</i>	1Q12	Change 4Q11-1Q12	Change 1Q11-1Q12
Net other operating income	1 607	(3 992)	(1 860)
Retail Banking	1 196	(36)	20
Large Corporates and International	881	80	96
DNB Markets	2 150	903	751
Insurance and Asset Management	1 011	188	(246)
DNB Baltics and Poland	203	(23)	13
Other	(3 835)	(5 104)	(2 494)

Changes in operating expenses

<i>Amounts in NOK million</i>	1Q12	Change 4Q11-1Q12	Change 1Q11-1Q12
Operating expenses	5 105	(481)	312
Retail Banking	2 845	(83)	139
Large Corporates and International	910	(14)	103
DNB Markets	545	62	16
Insurance and Asset Management	589	13	(12)
DNB Baltics and Poland	321	(249)	16
Other	(105)	(209)	49

Changes in write-downs on loans and guarantees

<i>Amounts in NOK million</i>	1Q12	Change 4Q11-1Q12	Change 1Q11-1Q12
Write-downs on loans and guarantees	784	(142)	(108)
Retail Banking	322	48	70
Large Corporates and International	397	61	10
DNB Baltics and Poland	64	(153)	(126)
Other	1	(99)	(61)

Extracts from income statement

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		DNB Baltics and Poland		Other operations/eliminations ¹⁾		DNB Group	
<i>Amounts in NOK million</i>	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11
Net interest income - ordinary operations	3 712	3 473	2 192	1 674	193	209	(102)	(86)	266	314	392	435	6 653	6 018
Interest on allocated capital ²⁾	145	138	168	150	45	35	93	95	11	9	(462)	(427)	0	0
Net interest income	3 858	3 610	2 360	1 823	238	244	(8)	10	277	323	(71)	8	6 653	6 018
Other operating income	897	887	324	275	2 150	1 400	1 011	1 257	203	190	(2 979)	(542)	1 607	3 467
Income attributable to product suppliers	298	289	558	510	0	0	0	0	0	0	(856)	(799)	0	0
Net other operating income	1 196	1 176	881	785	2 150	1 400	1 011	1 257	203	190	(3 835)	(1 341)	1 607	3 467
Total income	5 054	4 786	3 241	2 608	2 388	1 644	1 003	1 267	480	513	(3 905)	(1 333)	8 261	9 485
Other operating expenses	2 698	2 553	689	588	545	529	589	601	321	305	263	218	5 105	4 793
Cost attributable to product suppliers	147	153	221	218	0	0	0	0	0	0	(368)	(372)	0	0
Operating expenses	2 845	2 706	910	806	545	529	589	601	321	305	(105)	(154)	5 105	4 793
Pre-tax operating profit before write-downs	2 208	2 080	2 332	1 802	1 843	1 115	414	666	159	208	(3 801)	(1 179)	3 156	4 692
Net gains on fixed and intangible assets	0	1	0	0	0	0	0	0	2	3	4	1	7	5
Write-downs on loans and guarantees	322	252	397	385	0	0	0	0	64	190	1	64	784	892
Write-downs attributable to product suppliers	0	0	0	2	0	0	0	0	0	0	0	(2)	0	0
Profit from repossessed operations	(4)	0	(119)	0	0	0	0	0	0	0	123	0	0	0
Pre-tax operating profit	1 882	1 828	1 816	1 415	1 843	1 115	414	666	97	21	(3 674)	(1 240)	2 378	3 805

1) Other operations/eliminations:

	Eliminations of income/cost attributable to product suppliers		Other eliminations		Group Centre ¹⁾		Total	
<i>Amounts in NOK million</i>	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11
Net interest income - ordinary operations	0	0	(28)	(27)	420	462	392	435
Interest on allocated capital ²⁾	0	0	0	0	(462)	(427)	(462)	(427)
Net interest income	0	0	(28)	(27)	(43)	35	(71)	8
Other operating income	0	0	(196)	(241)	(2 782)	(301)	(2 979)	(542)
Income attributable to product suppliers	(856)	(799)	0	0	0	0	(856)	(799)
Net other operating income	(856)	(799)	(196)	(241)	(2 782)	(301)	(3 835)	(1 341)
Total income	(856)	(799)	(224)	(268)	(2 825)	(266)	(3 905)	(1 333)
Other operating expenses	0	0	(224)	(268)	487	485	263	218
Cost attributable to product suppliers	(368)	(372)	0	0	0	0	(368)	(372)
Operating expenses	(368)	(372)	(224)	(268)	487	485	(105)	(154)
Pre-tax operating profit before write-downs	(488)	(428)	0	(0)	(3 312)	(751)	(3 801)	(1 179)
Net gains on fixed and intangible assets	0	0	0	0	4	1	4	1
Write-downs on loans and guarantees	0	0	0	0	1	64	1	64
Write-downs attributable to product suppliers	0	(2)	0	0	0	0	0	(2)
Profit from repossessed operations	0	0	0	0	123	0	123	0
Pre-tax operating profit	(488)	(426)	0	0	(3 186)	(814)	(3 674)	(1 240)

The eliminations refer mainly to internal services from support units to business areas and between business areas. Further, intra-group transactions and gains and losses on transactions between companies in the Group are eliminated. The elimination of income/cost attributable to product suppliers primarily concerns net profits on customer business carried out in cooperation between DNB Markets and other business areas and taken to income in both areas.

The Group Centre includes Operations, HR (Human Resources), IT, Group Finance and Risk Management, Marketing, Communications and eBusiness, Corporate Centre, Treasury, the partially owned company Eksportfinans, investments in IT infrastructure and shareholder-related costs. In addition, the Group Centre includes that part of the Group's equity that is not allocated to the business areas. With effect from the first quarter of 2012, profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" in the business areas. The repossessed operations are included in the Group Centre. Figures for previous periods have been restated.

^{*)} Group Centre - pre-tax operating profit in NOK million

	1Q12	1Q11
+ Interest on unallocated equity etc.	75	197
+ Income from equities investments	(21)	3
+ Mark-to-market adjustments Treasury and fair value on lending	(838)	(201)
+ Basis swaps	(2 432)	(584)
+ Eksportfinans AS	226	93
- Unallocated write-downs on loans and guarantees	1	41
- Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	107	62
- Unallocated pension expenses	78	26
- Funding costs on goodwill	15	12
Other	6	(180)
Pre-tax operating profit	(3 186)	(814)

2) The interest is calculated on the basis of internal measurement of risk-adjusted capital requirement.

Main average balance sheet items

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		DNB Baltics and Poland		Other operations/ eliminations		DNB Group	
<i>Amounts in NOK billion</i>	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11
Net lending to customers ¹⁾	824.4	763.3	397.9	349.4	2.7	3.4	1.8	2.5	54.5	53.2	(2.1)	3.2	1 279.2	1 175.0
Deposits from customers ¹⁾	432.2	389.2	260.9	230.0	43.7	26.8			27.4	25.5	(1.9)	(1.9)	762.4	669.6
Assets under management ²⁾							531.9	540.3						
Allocated capital ³⁾	21.4	21.6	24.7	23.5	6.6	5.5	13.7	15.0	4.1	3.3				

Key figures

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		DNB Baltics and Poland		Other operations		DNB Group	
<i>Per cent</i>	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11
Cost/income ratio ⁴⁾	56.3	56.5	28.1	30.9	22.8	32.2	58.7	47.4	66.8	59.4			61.8	50.5
Ratio of deposits to lending ^{1) 5)}	52.4	51.0	65.6	65.8					50.4	47.9			59.6	57.0
Return on allocated capital, annualised ³⁾	25.5	24.7	21.3	17.6	80.9	59.2	14.9	24.1	7.7	2.1			9.5	17.8
Full-time positions as at 31 March ⁶⁾	4 993	4 845	1 143	1 107	716	677	1 047	1 055	3 321	3 155	2 415	2 189	13 635	13 027

- 1) Lending to customers includes accrued interest, write-downs and value adjustments. Lending to credit institutions is not included. Correspondingly, deposits from customers include accrued interest and value adjustments. Deposits from credit institutions is not included.
- 2) The figures include total assets in DNB Livsforsikring which was NOK 267.4 billion as at 31 March 2012 and NOK 256.2 billion as at 31 March 2011. With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.
- 3) The allocated capital and return on allocated capital are for the business areas calculated on the basis of internal measurement of risk-adjusted capital requirement. Recorded capital is used for the Group.
- 4) Total operating expenses relative to total income.
- 5) Deposits from customers relative to net lending to customers.
- 6) Historical figures for DNB Baltics and Poland include DnB NORD's operations and branches in Finland and Denmark which have been closed down or transferred to DNB in Oslo.

Market shares lending and deposits, Norwegian customers

Retail customers ¹⁾

<i>Per cent</i>	29 Feb. 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Total lending to households ^{2) 3)}	27.9	27.9	27.8	27.6	27.4
Bank deposits from households ^{2) 4)}	32.7	32.7	32.5	32.4	32.3

<i>Per cent</i>	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Total lending to households ^{2) 3)}	27.5	27.6	27.8	27.8	27.8
Bank deposits from households ^{2) 4)}	32.4	32.3	32.3	32.2	32.4

1) Based on nominal values.

2) Households are defined as employees, pensioners, social security recipients, students, unincorporated private enterprises, quasi-corporate private enterprises and private non-profit institutions serving households.

3) Total lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies and finance companies.

4) Domestic commercial and savings banks.

Source: Statistics Norway, DNB

Corporate customers ^{1) 2)}

<i>Per cent</i>	29 Feb. 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Of total lending to corporate clients ³⁾	13.9	13.9	13.8	13.7	13.6
Of deposits from corporate clients ⁴⁾	37.5	37.4	36.6	34.9	34.7

<i>Per cent</i>	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Of total lending to corporate clients ³⁾	13.8	13.9	14.1	13.9	13.8
Of deposits from corporate clients ⁴⁾	35.3	34.6	35.5	35.2	35.5

1) Based on nominal values.

2) Updated according to adjusted data from Statistics Norway.

3) Overall lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper. Excluding lending to financial institutions, central government and social security services.

4) Excluding deposits from financial institutions, central government and social security services.

Source: Statistics Norway, DNB

Retail Banking

Retail Banking aims to maintain its leading market position and stand out as the customers' best financial partner. Karin Bing Orgland, group executive vice president, heads the business area.

Retail Banking includes:

- The retail market activities (private individuals and small and medium sized enterprises) of DNB Bank and Nordlandsbanken
- DNB Boligkreditt (excluding funding activities)
- DNB Finans
- Residential real estate broking activities in Norway through DNB Eiendom and Postbanken Eiendom
- Residential real estate broking activities in Sweden through Svensk Fastighetsförmedling
- SalusAnsvar, a company distributing financial services in Sweden

Customers and markets

- Serving 2.1 million private customers and 221 000 corporate customers, of which 830 000 customers have loans
- 1.5 million customers subscribe to loyalty programmes and product packages
- 1.4 million customers have agreed to receive notifications from the bank, such as account statements, via e-mail
- 20 million payment transactions were carried out through the Internet banks in the first quarter of 2012
- 1.3 million payment transactions were carried out through in-store postal and banking outlets in the first quarter of 2012
- 14.7 million SMS messages were received in the first quarter of 2012
- Brand names
 - DNB
 - Nordlandsbanken ¹⁾
 - Cresco

1) Nordlandsbanken ASA will, according to plan, be formally merged with DNB 1 September 2012.

Organisation and distribution

Retail Banking offers a wide range of financial products and services through Norway's largest distribution network, in terms of number of contact points with customers. The major distribution channels are:

- Branch offices/private customer service centres: 173 DNB and 15 Nordlandsbanken
- Investment Advisory Services for private customers: 37
- Investment Advisory Services for corporate customers: 59
- In-store postal and banking outlets: 2 265
- Postal offices: 179
- Internet and telephone
- Real estate outlets in Norway: 137
- Real estate outlets in Sweden: 227

DNB Bank ASA and Norway Post have an agreement relating to the distribution of financial services through the postal network. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network. DNB and Norway Post have established joint service solutions provided through in-store postal outlets where customers can carry out everyday banking transactions in their local supermarkets. The distribution of standard banking services through in-store banking outlets is based on an agreement between DNB and NorgesGruppen.

Employees

At end-March 2012, the business area had a staff of 4 993 full-time positions, with 4 649 positions in Norway including 789 in Norwegian subsidiaries, and 344 in international units.

Cooperation with other group entities

Cross selling of products is one of the major strengths of the DNB Group. Through its distribution network Retail Banking offers:

- Asset management services, Life and pension insurance and Non-life insurance (Insurance and Asset Management)
- Financial instruments (DNB Markets)

Financial performance

Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net interest income - ordinary operations	3 712	3 646	3 379	3 307	3 473	13 805	13 643
Interest on allocated capital ¹⁾	145	166	141	148	138	592	497
Net interest income	3 858	3 812	3 519	3 455	3 610	14 397	14 139
Other operating income	897	892	997	906	887	3 681	3 501
Income attributable to product suppliers	298	340	380	319	289	1 328	1 263
Net other operating income	1 196	1 232	1 377	1 225	1 176	5 010	4 764
Total income	5 054	5 044	4 896	4 680	4 786	19 406	18 903
Other operating expenses	2 698	2 752	2 680	2 672	2 553	10 659	10 290
Cost attributable to product suppliers	147	176	177	151	153	658	675
Operating expenses	2 845	2 929	2 858	2 824	2 706	11 317	10 965
Pre-tax operating profit before write-downs	2 208	2 116	2 038	1 856	2 080	8 089	7 938
Net gains on fixed and intangible assets	0	0	0	0	1	2	6
Write-downs on loans and guarantees ²⁾	322	274	250	100	252	877	1 225
Write-downs attributable to product suppliers	0	0	0	0	0	0	0
Profit from repossessed operations ³⁾	(4)	0	0	0	0	0	0
Pre-tax operating profit	1 882	1 842	1 788	1 756	1 828	7 214	6 719

Net lending to customers (NOK billion) ⁴⁾	824.4	809.2	790.3	772.7	763.3	784.0	737.7
Deposits from customers (NOK billion) ⁴⁾	432.2	424.4	411.3	394.0	389.2	404.9	377.6
Allocated capital (NOK billion) ⁵⁾	21.4	22.1	18.8	21.9	21.6	21.1	20.0
Cost/income ratio (%)	56.3	58.1	58.4	60.3	56.5	58.3	57.0
Ratio of deposits to lending (%)	52.4	52.5	52.0	51.0	51.0	51.6	51.2
Return on allocated capital, annualised (%) ⁵⁾	25.5	23.8	27.2	23.1	24.7	24.6	24.1

1) The interest is calculated on the basis of internal measurement of risk-adjusted capital requirement.

2) Including collective write-downs from 2011.

3) With effect from the first quarter of 2012, profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" in the business areas. Figures for previous periods have been restated.

4) Average balances. Lending to customers includes accrued interest and write-downs. Lending to credit institutions is not included. Correspondingly, deposits from customers include accrued interest. Deposits from credit institutions is not included.

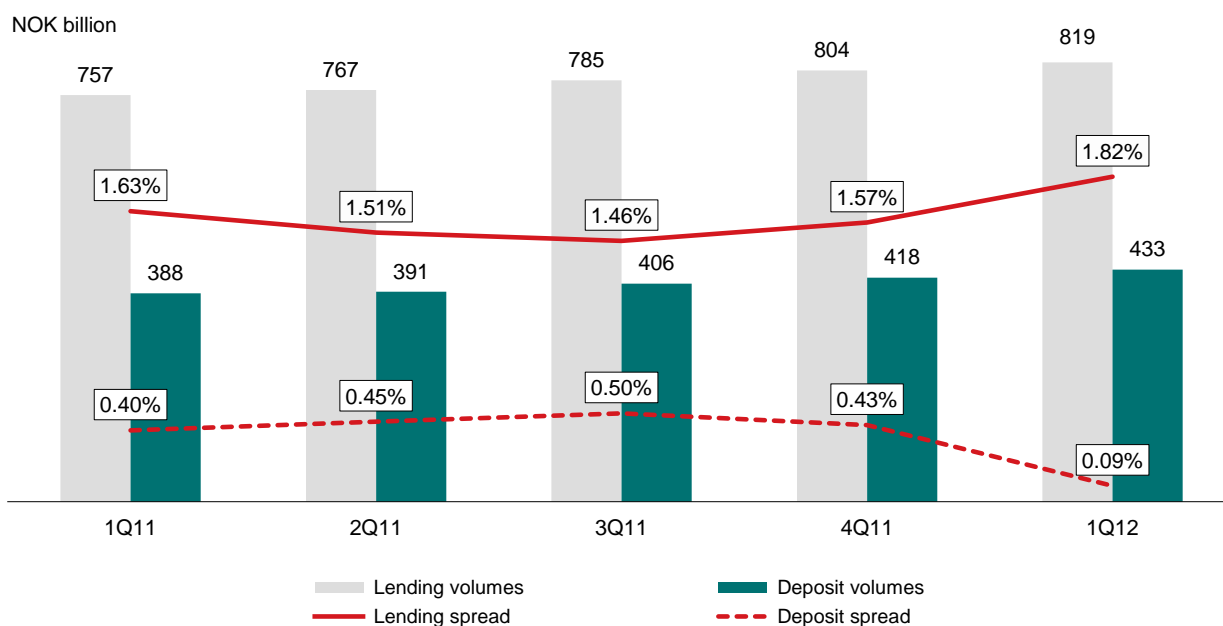
5) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital requirement. Allocated capital was adjusted downward in the third quarter of 2011 due to changes in the calculation models.

Net interest income

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income		
	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11
Lending to customers ^{1) 2)}	818 539	803 534	757 455	1.82	1.57	1.63	3 712	3 173	3 042
Deposits from customers ¹⁾	432 512	417 531	388 144	0.09	0.43	0.40	97	453	387
Allocated capital	21 355	22 136	21 622	2.74	2.99	2.58	145	166	138
Other							(96)	21	43
Total net interest income							3 858	3 812	3 610

1) Based on nominal values.

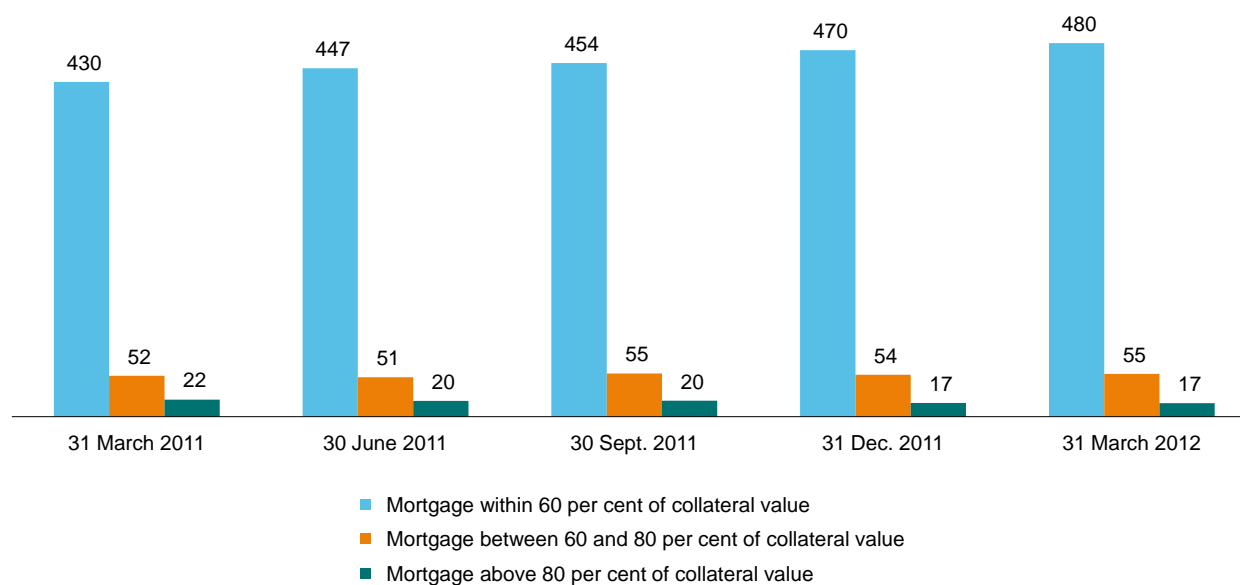
2) Excluding impaired loans.

Development in average volumes and interest spreads ¹⁾

1) Lending to and deposits from customers. Nominal values, excluding impaired loans.

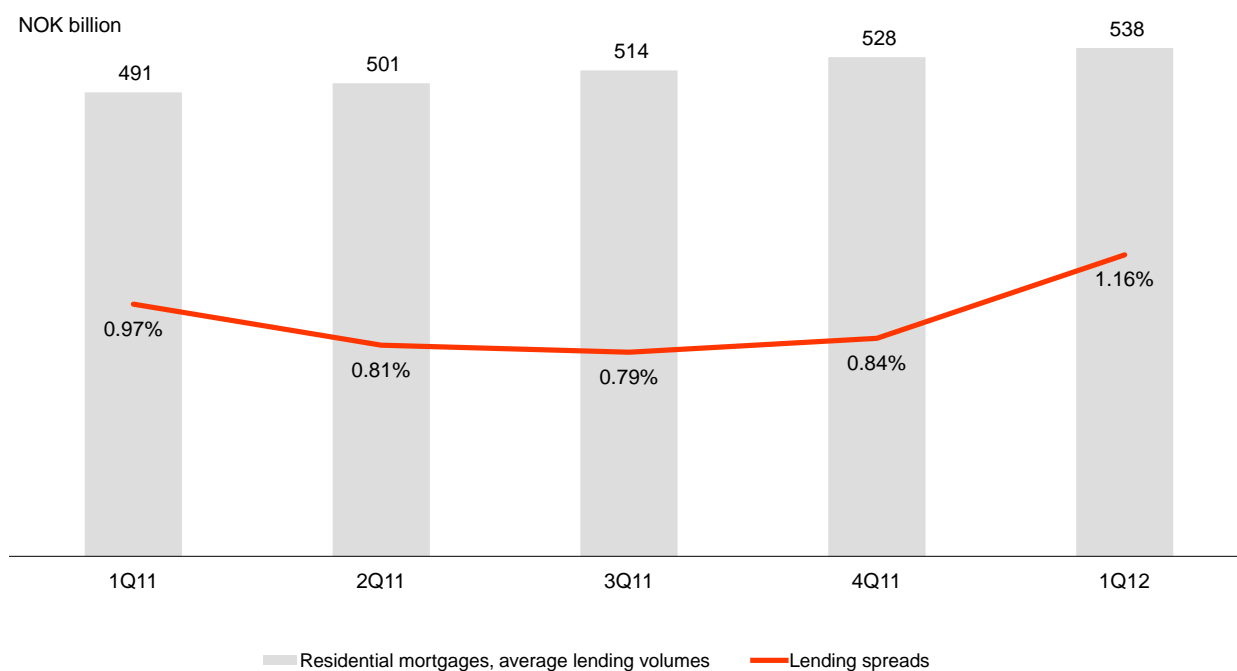
Residential mortgages**Distribution of lending according to collateral value ¹⁾**

NOK billion



1) Residential mortgages in the business area Retail Banking based on actual collateral categories.

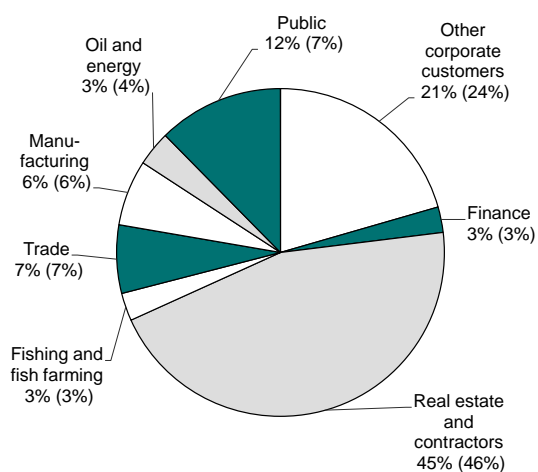
Average mortgage lending - volumes and spreads ¹⁾



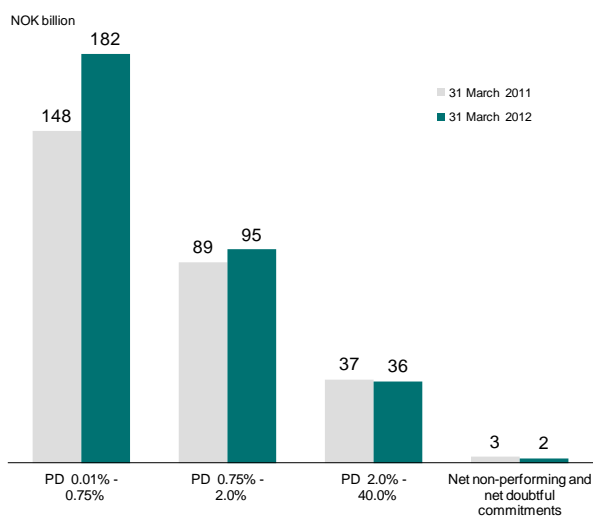
1) Residential mortgages to customers in Norway in the business area Retail Banking.

Corporate customers in Retail Banking

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Corporate customers. Figures as at 31 March 2012. Percentages as at 31 March 2011 in parentheses.

2) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default, except for net non-performing and net doubtful commitments which are net recorded exposure in the accounts.
PD = probability of default.

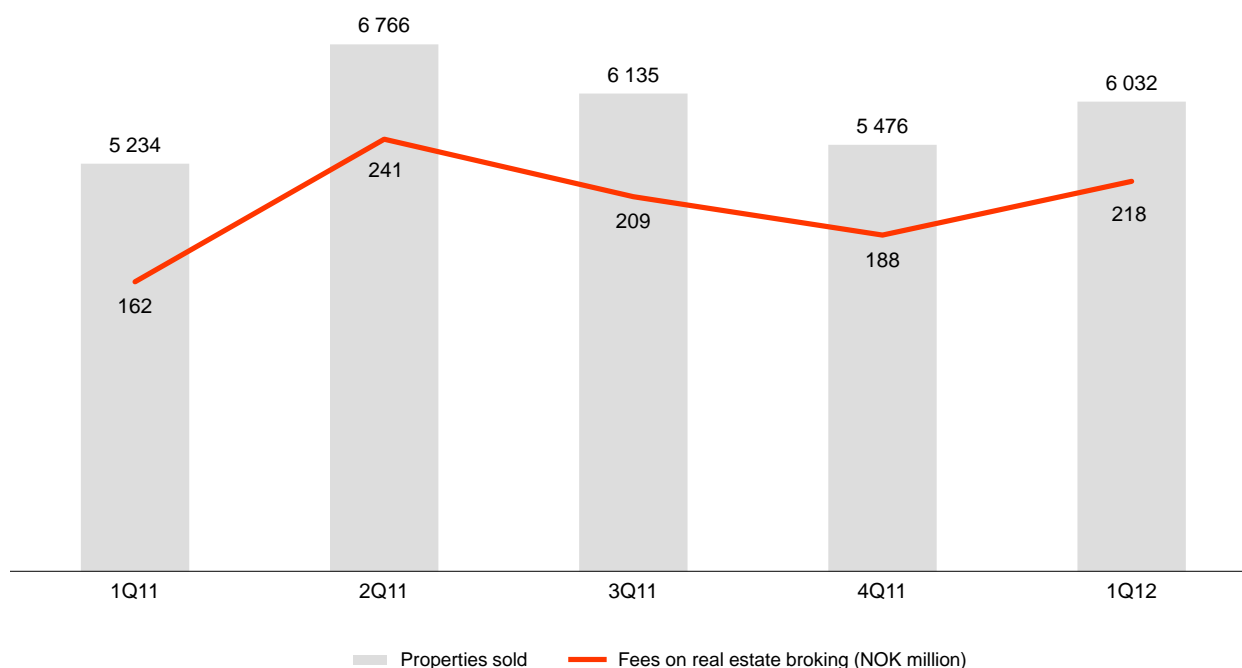
Residential real estate broking

DNB is a market leader within the real estate broking business in Norway. DNB Eiendom had 109 sales offices located in DNB branches at end-March 2012 and Postbanken Eiendom had established 28 real estate broking customer sales offices. Operations in DNB Eiendom and Postbanken Eiendom will be coordinated during the second quarter of 2012.

DNB is the largest provider of real estate brokerage services in the Nordic region through the operations in DNB Eiendom and Svensk Fastighetsförmedling. Svensk Fastighetsförmedling had 227 outlets in Sweden at end-March 2012.

In addition to fee income, real estate broking operations generate business in the form of residential mortgages and savings.

Real estate broking in Norway



Properties sold and market shares ¹⁾

Properties sold						Full year	
	1Q12	4Q11	3Q11	2Q11	1Q11	2011	2010
DNB Eiendom	4 762	4 326	4 754	5 226	4 034	18 340	16 166
Postbanken Eiendom	1 270	1 150	1 381	1 540	1 200	5 271	4 267
Total properties sold	6 032	5 476	6 135	6 766	5 234	23 611	20 433
Market shares, per cent ²⁾						19.3	17.8

1) Norwegian operations only.

2) Management's estimates.

DNB Finans

DNB Finans is a division within Retail Banking providing consumer and equipment finance and card based products.

Net lending to customers - average volumes

Amounts in NOK billion	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Motor vehicle finance, leasing and factoring	50.5	48.8	47.1	46.4	46.4	47.2	45.3
Consumer finance	17.1	16.9	16.3	16.5	15.9	16.4	12.9
Total net lending to customers	67.6	65.6	63.4	62.9	62.3	63.6	58.2

- There was a 5.6 per cent increase in new leasing and lending contracts in the first quarter of 2012 compared to the corresponding period in 2011.
- The value of processed factoring invoices was up 7 per cent.
- Consumer finance activities generated healthy profits in the first quarter of 2012.
- As at 31 March 2012, the entity had issued nearly 2.1 million credit and charge cards.

Business profile

DNB Finans is the leading provider of consumer and equipment finance in Norway. DNB Finans coordinates DNB's credit card based products and consumer finance activities, servicing both the bank's own customers and customers acquired through cooperation with vendors. Within asset based finance, DNB Finans offers automotive and equipment leasing and loans to bank and direct customers as well as through vendors. In addition, DNB Finans is the market leader within factoring in Norway, and, through the Autolease brand, a top 3 player in the Scandinavian market for operational vehicle leasing and fleet management.

Currently, DNB Finans' operations in Denmark are concentrated around the Autolease business area. In Sweden there is a broader presence, with both automotive and equipment finance products and services targeted at bank, direct and vendor distribution. Within automotive finance DNB Finans holds a top 5 position in Sweden, a position which was strengthened through the acquisition of SC Finans AB in December 2011. Lending volume in the acquired entity was SEK 2.3 billion at end-December 2011. Credit card based products are being developed for the Swedish market.

Nordlandsbanken

Average volumes

Amounts in NOK billion	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net lending to customers	42.0	40.7	39.5	38.2	37.1	38.9	35.3
Customer deposits	15.3	15.4	14.8	14.3	14.0	14.6	13.3

Business profile

Nordlandsbanken is a wholly owned subsidiary of DNB ASA. Nordlandsbanken serves private customers, businesses and the public sector through 15 branches in Nordland county. Nordlandsbanken aim to be the leading bank in Nordland county for customers who seek local expertise. DNB's application to retain Nordlandsbanken as a wholly-owned subsidiary bank has been turned down, and in accordance with the resolution from the Finance Ministry, Nordlandsbanken ASA will be formally merged with DNB Bank during 2012.

Large Corporates and International

Large Corporates and International (LCI) aims to offer good solutions to the customers and continue building strong customer relationships for the future. Leif Teksum, group executive vice president, heads the business area.

LCI is organised in four global industry divisions, four geographic divisions and a product and support division. The global industry divisions develop and maintain our industry strategies and serve our largest Norwegian corporates. The geographic divisions implement our industry strategies and serve our customers locally in their respective geographies.

The presentation of LCI is based on the global industry divisions including related activities in the geographical divisions.

- Global business segment divisions
 - Nordic Corporates
 - International Corporates
 - Energy
 - Shipping, Offshore and Logistics
- Geographical divisions
 - Americas
 - Central Europe, Middle East and Africa
 - Asia
 - Northern Europe
- Product and support division
 - Business Management and Products

The subsidiaries DNB Bank (Russia) and DNB Luxembourg are separate entities in LCI.

Employees

At end-March 2012, the business area had a staff of 1 143 full-time positions, with 498 positions in Norway and 645 in international units.

Financial performance

Amounts in NOK million	Full year						
	1Q12	4Q11	3Q11	2Q11	1Q11	2011	2010
Net interest income - ordinary operations	2 192	2 252	1 890	1 769	1 674	7 584	5 884
Interest on allocated capital ¹⁾	168	189	162	160	150	661	608
Net interest income	2 360	2 440	2 052	1 929	1 823	8 245	6 492
Other operating income	324	286	221	315	275	1 097	1 151
Income attributable to product suppliers	558	516	579	494	510	2 100	2 006
Net other operating income	881	802	800	809	785	3 196	3 157
Total income	3 241	3 242	2 852	2 739	2 608	11 441	9 649
Other operating expenses	689	705	588	582	588	2 463	2 130
Cost attributable to product suppliers	221	219	234	201	218	873	806
Operating expenses	910	924	822	783	806	3 336	2 935
Pre-tax operating profit before write-downs	2 332	2 318	2 030	1 956	1 802	8 106	6 713
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Write-downs on loans and guarantees ²⁾	397	338	232	220	385	1 175	586
Write-downs attributable to product suppliers	0	(2)	0	0	2	1	3
Profit from repossessed operations ³⁾	(119)	(136)	(60)	0	0	(197)	0
Pre-tax operating profit	1 816	1 846	1 737	1 735	1 415	6 734	6 124

Net lending to customers (NOK billion) ⁴⁾	397.9	395.0	371.2	352.8	349.4	367.3	341.1
Deposits from customers (NOK billion) ⁴⁾	260.9	249.5	228.1	230.9	230.0	234.7	209.7
Allocated capital (NOK billion) ⁵⁾	24.7	25.2	21.8	23.8	23.5	23.6	24.5
Cost/income ratio (%)	28.1	28.5	28.8	28.6	30.9	29.2	30.4
Ratio of deposits to lending (%)	65.6	63.2	61.4	65.4	65.8	63.9	61.5
Return on allocated capital, annualised (%) ⁵⁾	21.3	20.9	22.8	21.1	17.6	20.6	18.0

1) The interest is calculated on the basis of internal measurement of risk-adjusted capital requirement.

2) Including collective write downs from 2011.

3) With effect from the first quarter of 2012, profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" in the business areas. Figures for previous periods have been restated.

3) Average balances. Lending to customers includes accrued interest and write-downs. Lending to credit institutions is not included. Correspondingly, deposits from customers include accrued interest. Deposits from credit institutions is not included.

4) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital requirement. Allocated capital was adjusted downward in the third quarter of 2011 due to changes in the calculation models.

Average total volumes

Amounts in NOK billion	Full year						
	1Q12	4Q11	3Q11	2Q11	1Q11	2011	2010
Loans ¹⁾	398	395	371	353	349	367	341
Guarantees	74	69	63	56	57	61	61
Total loans and guarantees	471	464	434	409	406	428	402
Adjusted for exchange rate movements	471	465	444	420	407	434	394
Commercial paper during the period	16	17	15	13	8	53	48
Syndicated loans during the period ²⁾	2	2	1	3	7	13	5
Bond issues during the period	19	18	9	18	13	59	54

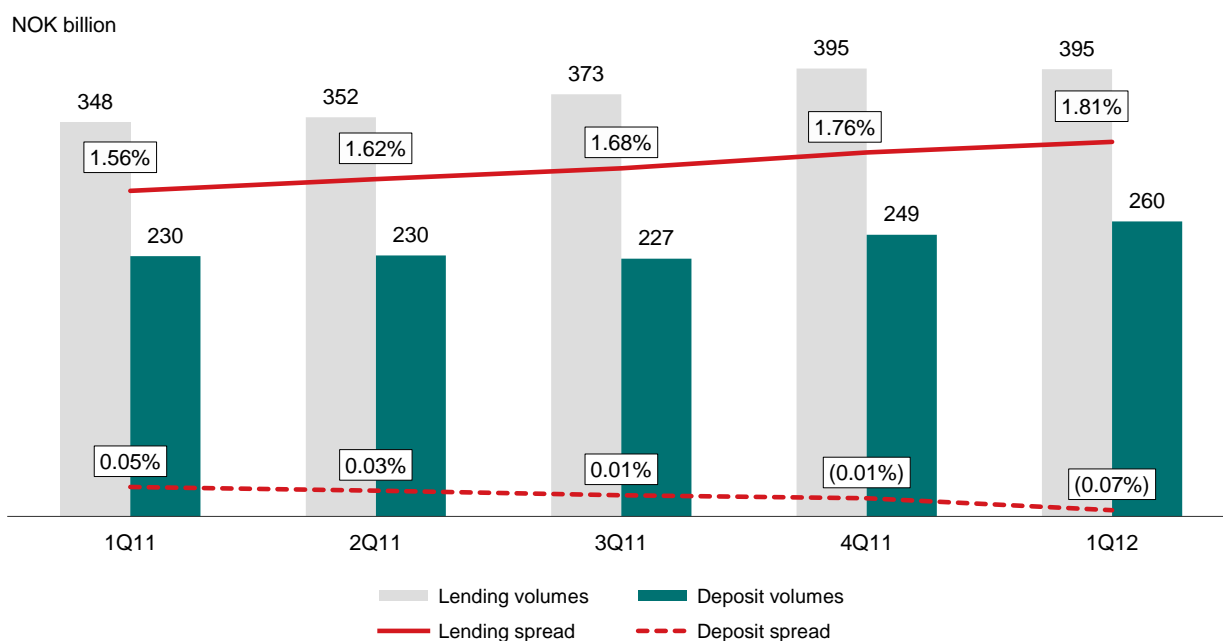
1) Average balances. Lending to customers includes accrued interest and write-downs. Lending to credit institutions are not included.

2) Difference between DNB underwriting and DNB final hold.

Net interest income

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income		
	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11
Lending to customers ¹⁾	394 744	395 274	347 993	1.81	1.76	1.56	1 776	1 750	1 341
Deposits from customers ¹⁾	260 391	248 586	229 695	(0.07)	(0.01)	0.05	(44)	(5)	30
Allocated capital	24 707	25 185	23 529	2.74	2.99	2.58	168	189	150
Other							460	507	303
Total net interest income							2 360	2 440	1 823

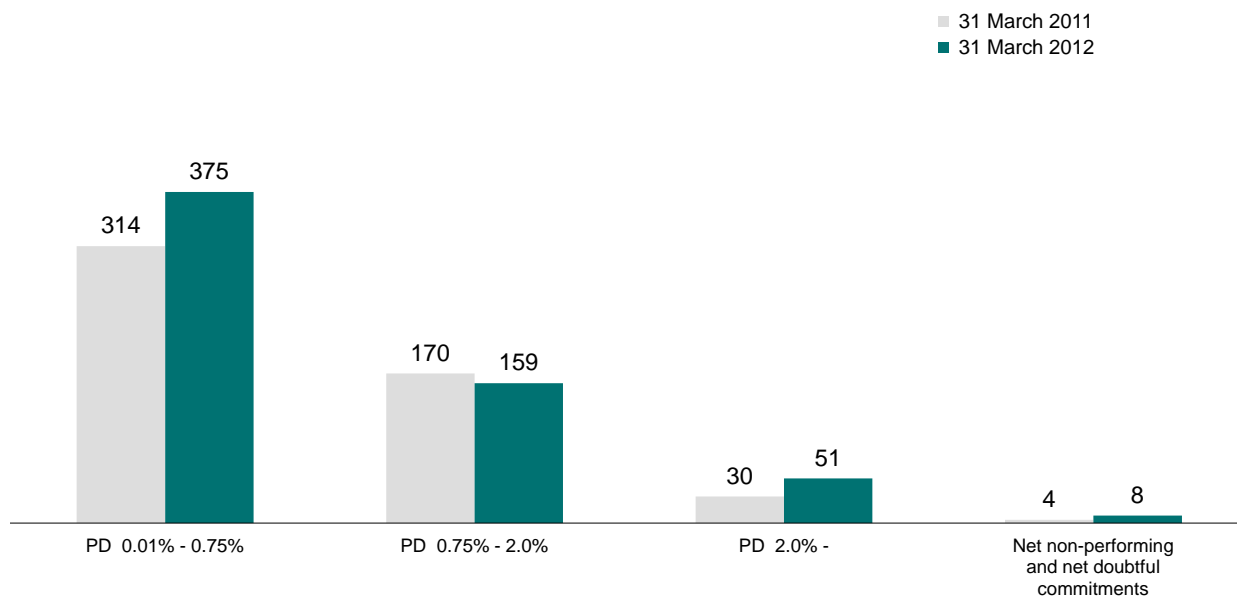
1) Based on nominal values excluding impaired loans.

Development in average volumes and interest spreads ¹⁾

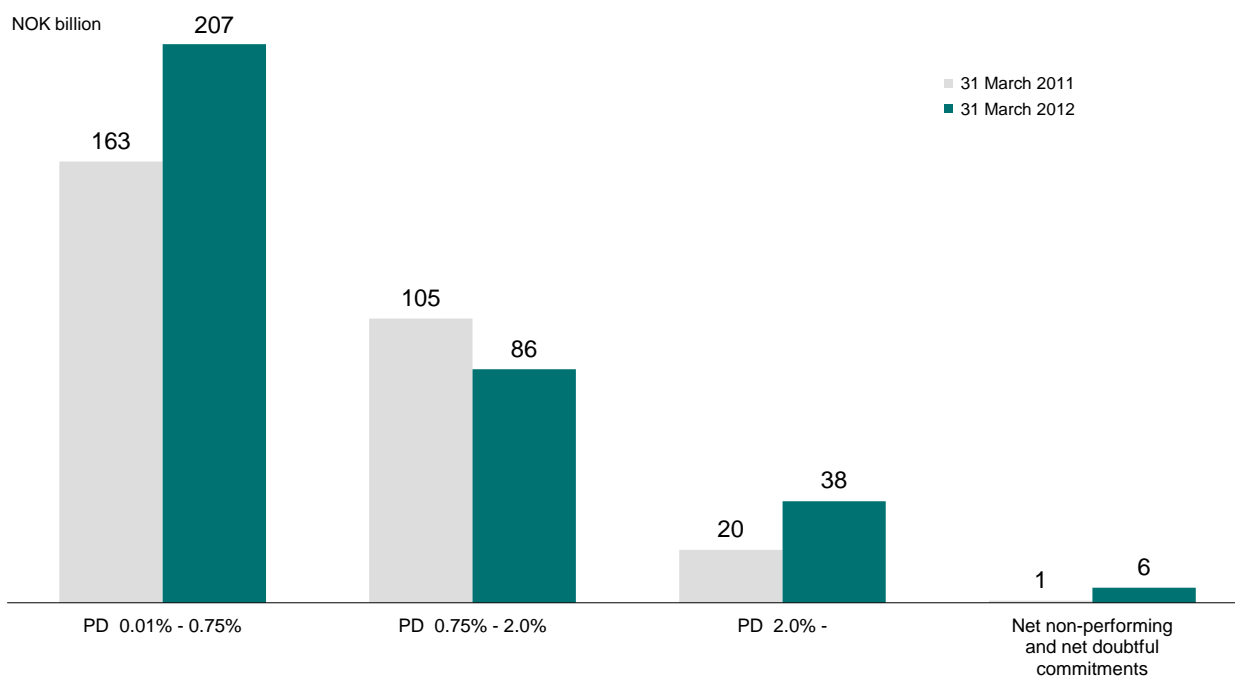
1) Lending to and deposits from customers. Nominal values, excluding impaired loans.

Risk classification of portfolio ¹⁾

NOK billion

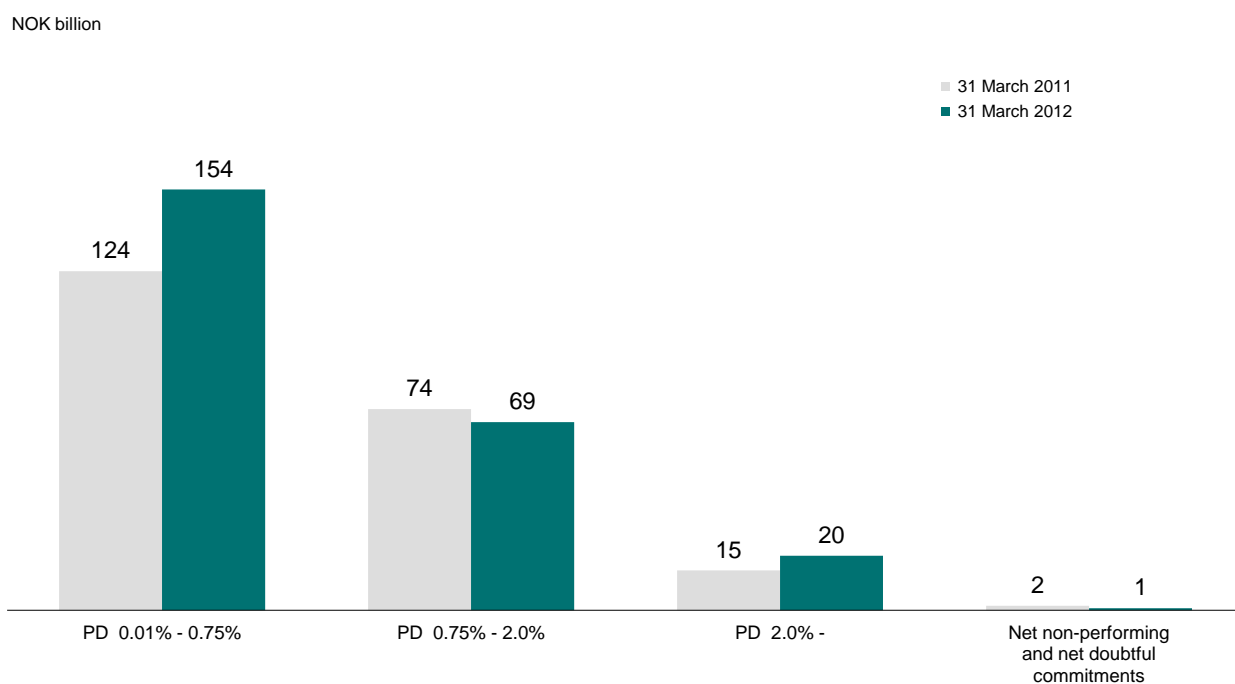


1) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default, except for net non-performing and net doubtful commitments which are net recorded exposure in the accounts.
 PD = probability of default

Risk classification of international portfolio ^{1) 2)}

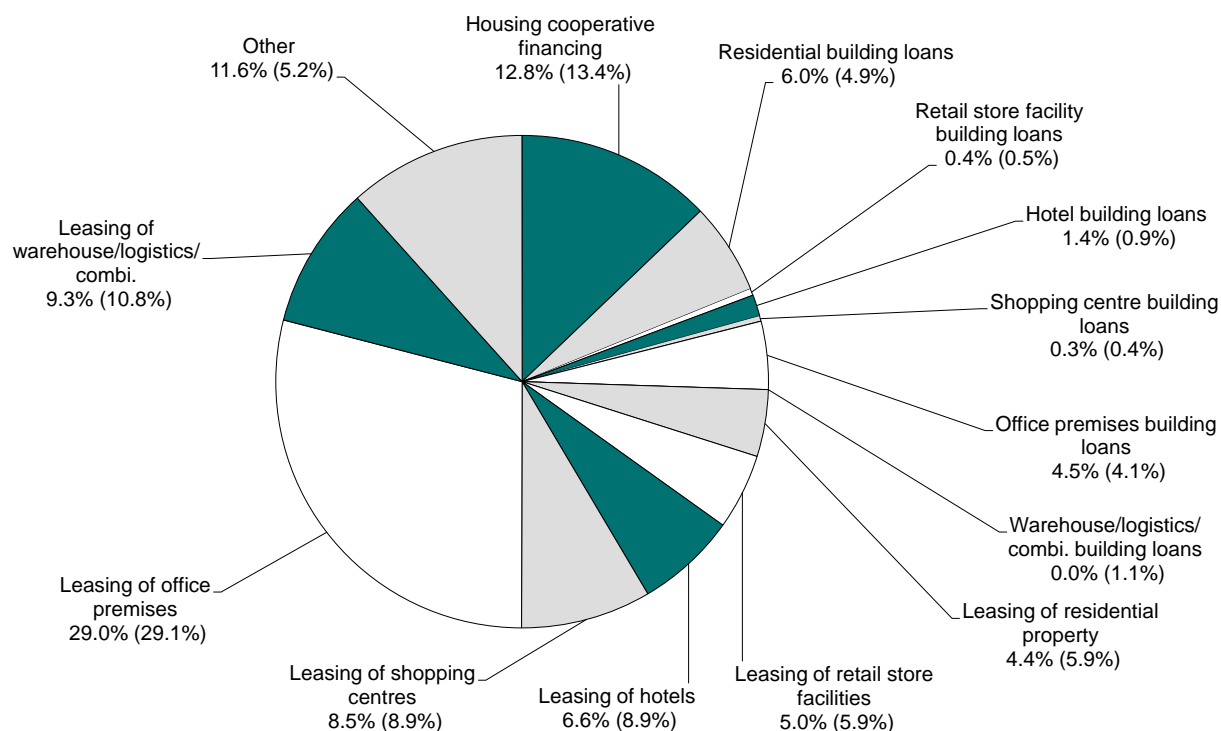
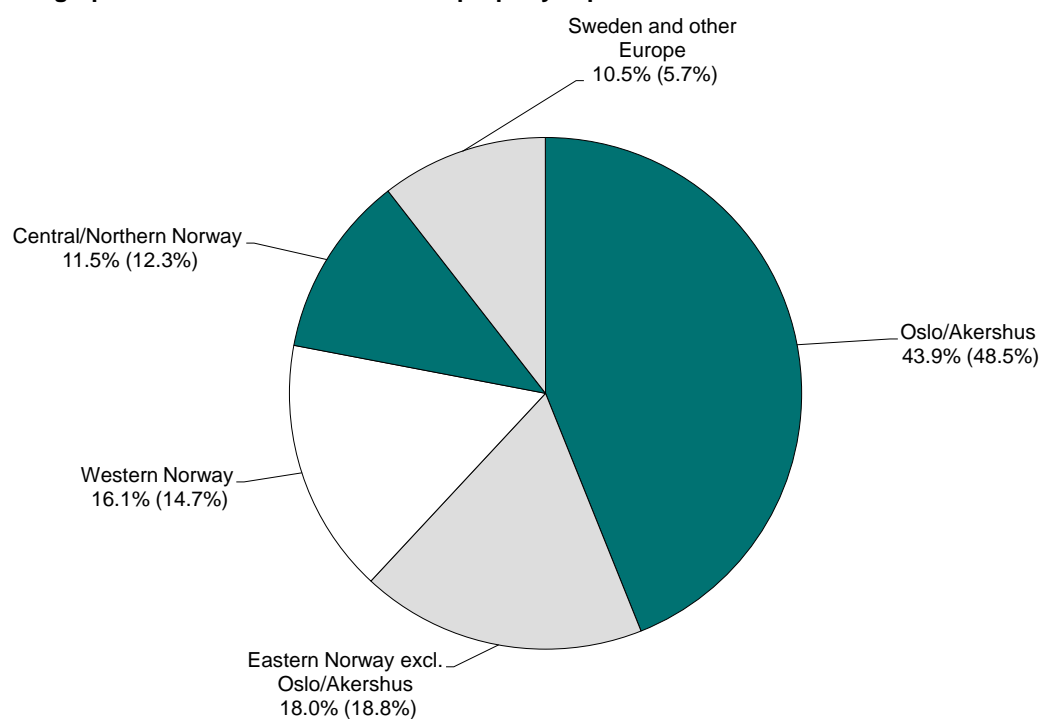
1) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default. PD = probability of default.

2) The international portfolio comprises business recorded outside Norway.

Risk classification of commercial property exposure ^{1) 2)}

1) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default. PD = probability of default.

2) The numbers are totals for the DNB Group excluding DNB Baltics and Poland and include exposure recorded in both LCI and Retail Banking. Figures as at 31 March 2011 do not include the former DnB NORD's portfolios in Denmark and Finland.

Commercial property exposure according to segment as at 31 March 2012 ¹⁾**Geographic distribution of commercial property exposure as at 31 March 2012 ¹⁾**

1) The numbers are totals for the DNB Group excluding DNB Baltics and Poland and includes exposure recorded in both LCI and Retail Banking. Comparable figures as at 31 March 2011 in parentheses. Figures as at 31 March 2011 do not include the former DnB NORD's portfolios in Denmark and Finland.

Nordic Corporates Division

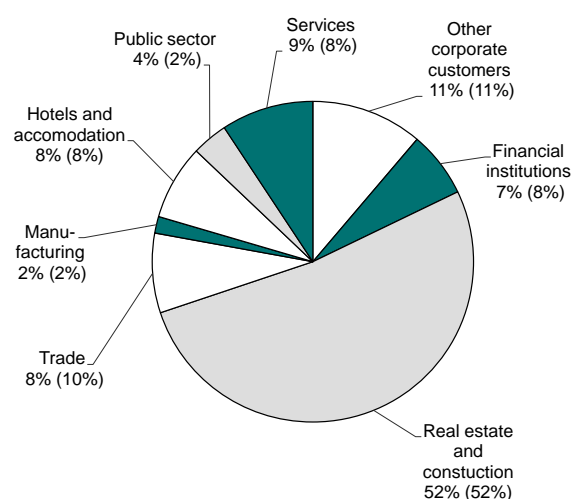
- The Nordic Corporates Division serves the bank's largest Norwegian and Nordic corporate clients within the retail and service industries, commercial real estate and contractors, financial institutions, the public sector and non-government organisations. The Division also serves international clients in the same segments.
- DNB has a very strong market position in these segments in Norway. The majority of Norway's largest corporations are banking with DNB.
- Commercial real estate broking services are offered through the subsidiary DNB Næringsmegling AS.

Average volumes

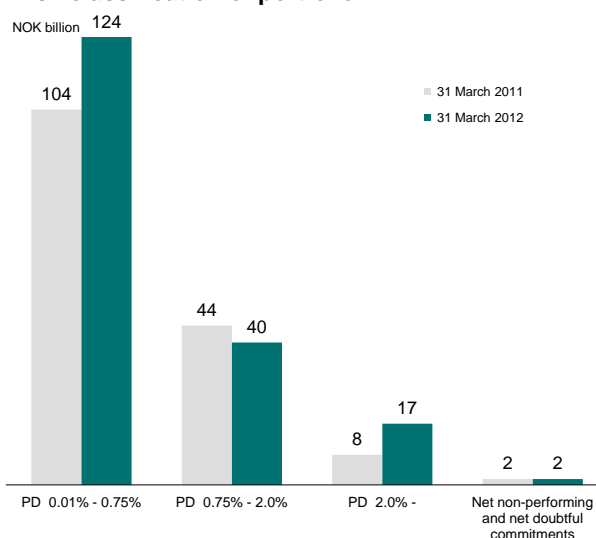
Amounts in NOK billion	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net lending to customers ¹⁾	133	131	127	123	115	124	89
- Adjusted for exchange rate movements ¹⁾	133	132	128	124	115	125	88
Guarantees	16	15	14	14	14	14	14
Customer deposits ¹⁾	97	87	81	82	74	81	66

1) Lending to customers includes accrued interest, write-downs and value adjustments. Correspondingly, deposits from customers include accrued interest and value adjustments.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 March 2012. Percentages as at 31 March 2011 in parentheses.

2) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default.
PD = probability of default

International Corporates Division

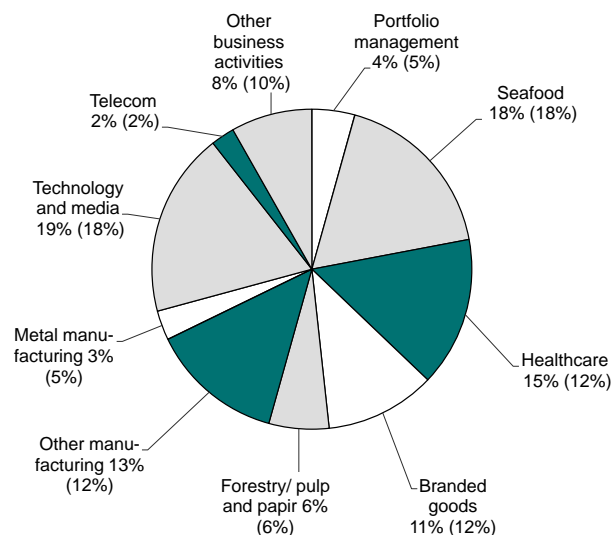
- The International Corporates Division serves large Norwegian corporates, international companies with business in Norway and international customers in the following sectors; foods, telecom, media, technology, healthcare, packaging industry and general manufacturing
- The division serves a majority of the Norwegian companies in the defined industries as lead bank as well as selected corporates internationally within LCI's international sector strategies.

Average volumes

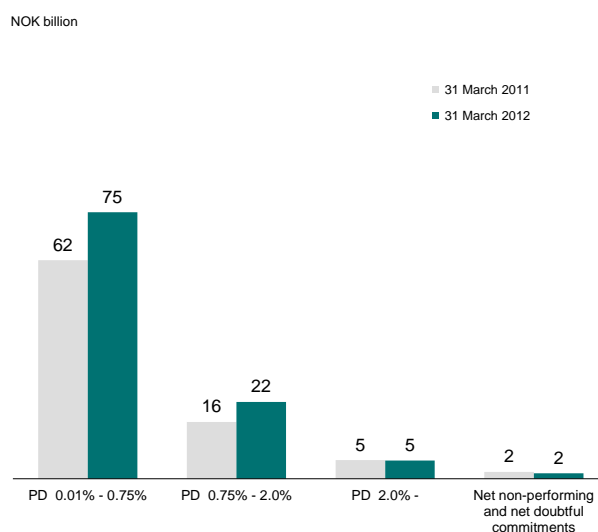
Amounts in NOK billion	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net lending to customers ¹⁾	70	70	64	58	57	62	38
- Adjusted for exchange rate movements ¹⁾	70	70	65	59	57	63	37
Guarantees	10	10	9	8	8	9	11
Customer deposits ¹⁾	32	37	32	36	38	36	29

1) Lending to customers includes accrued interest, write-downs and value adjustments. Correspondingly, deposits from customers include accrued interest and value adjustments.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 March 2012. Percentages as at 31 March 2011 in parentheses.

2) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default.
PD = probability of default

Energy Division

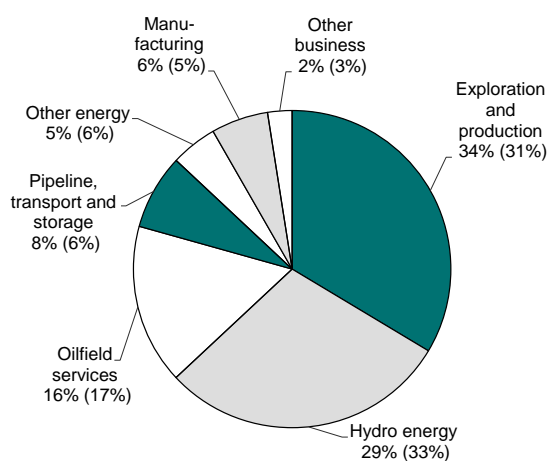
- The Energy Division serves customers in Norway and internationally in the oil and gas, offshore contractors and oilfield services, power and renewables industries.
- The oil and gas and the offshore contractors and oilfield services industries are amongst the largest sectors in the world. Huge investments are needed in order to meet future demand for oil and gas.
- The power and renewables industries are fast growing sectors with focus on low carbon emissions energy production. Increasing commitment to reduce greenhouse gases paves the way for environmentally friendly energy production. The bank has a strong global focus on renewable energy, with main emphasis on hydro, wind and solar technologies. Considerable investments are needed in order to meet future ambitions within renewable energy.

Average volumes

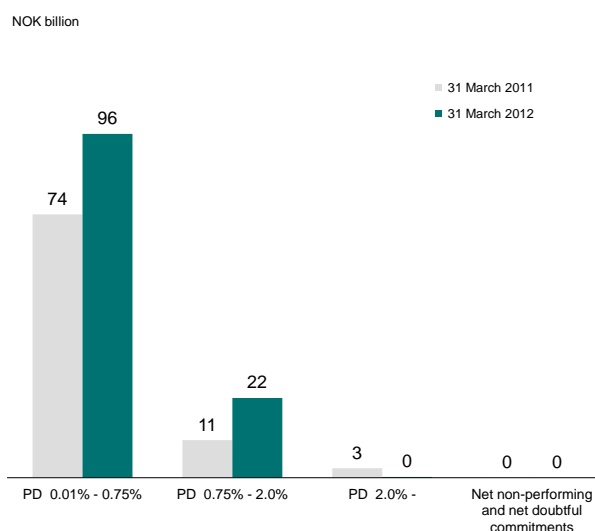
Amounts in NOK billion	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net lending to customers ¹⁾	48	48	44	37	37	42	34
- Adjusted for exchange rate movements ¹⁾	48	48	45	39	37	42	34
Guarantees	38	33	27	24	23	27	23
Customer deposits ¹⁾	58	49	44	39	39	43	32

1) Lending to customers includes accrued interest, write-downs and value adjustments. Lending to credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Deposits from credit institutions are not included.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 March 2012. Percentages as at 31 March 2011 in parentheses.

2) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default.
PD = probability of default

Shipping, Offshore and Logistics Division

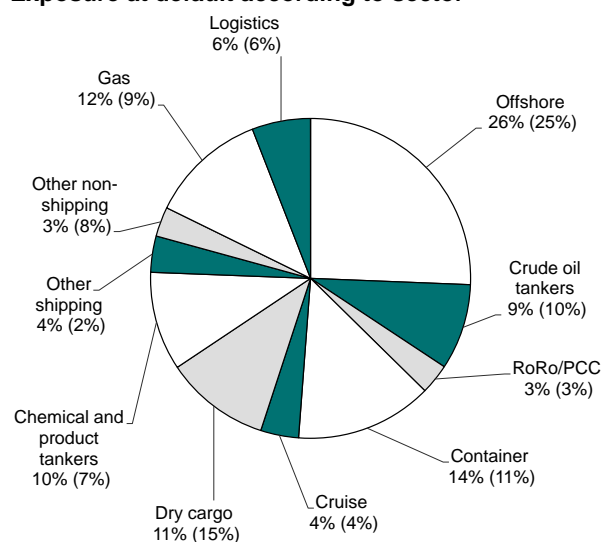
- The Shipping, Offshore and Logistics Division provides commercial and investment banking services to high-quality Norwegian and international shipping, offshore and logistics clients.
- The division aims to achieve satisfactory growth in risk-adjusted profitability by being one of the leading international shipping banks.
- The division aims to be the preferred strategic discussion partner for clients.
- The division focuses on competence development to further improve the quality and range of client services.

Average volumes

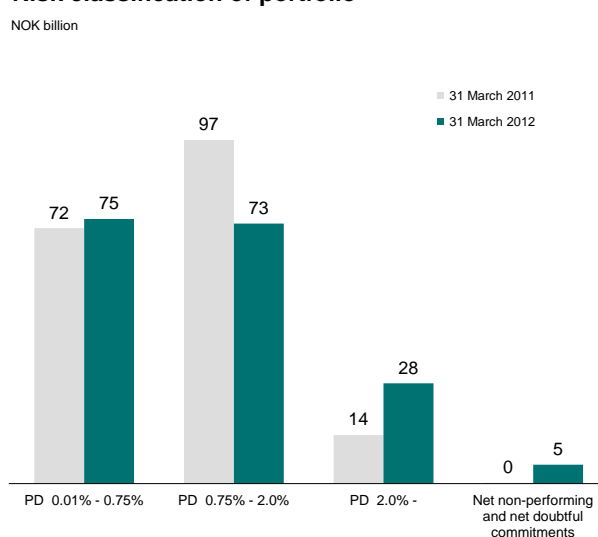
Amounts in NOK billion	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net lending to customers ¹⁾	141	141	131	130	135	134	140
- Adjusted for exchange rate movements ¹⁾	141	142	138	137	136	138	135
Guarantees	8	10	12	9	10	10	11
Customer deposits ¹⁾	62	65	62	66	71	66	69

1) Lending to customers includes accrued interest, write-downs and value adjustments. Lending to credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Deposits from credit institutions are not included.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 March 2012. Percentages as at 31 March 2011 in parentheses.

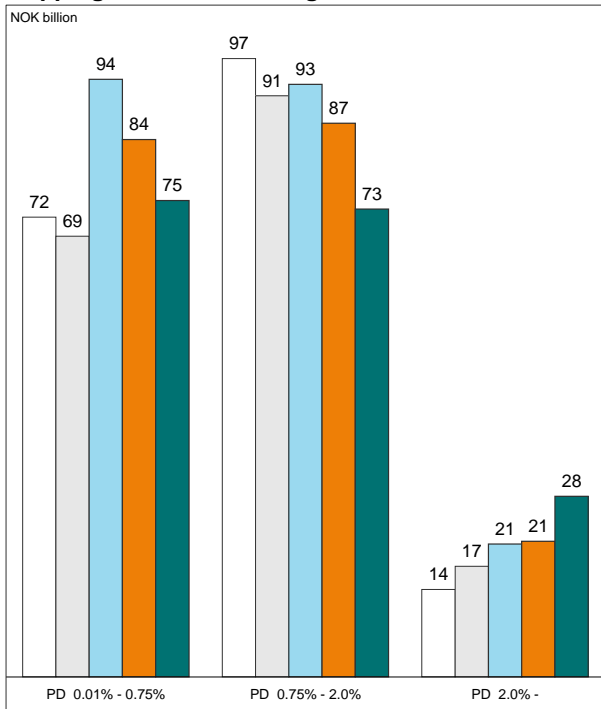
2) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default.
PD = probability of default

Portfolio

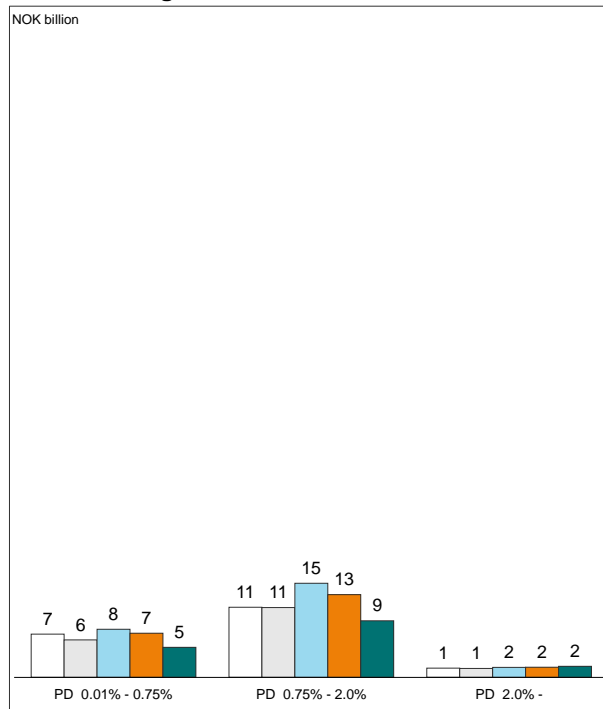
- DNB has a diversified portfolio in the maritime sector, as shown above.
- Lessons are learned from previous downturns, and internal credit analysis has been based on low rate estimates.
- DNB expect weak dry bulk, container and tanker markets going forward.
- Clients within the dry bulk segment are mainly well-established operators.
- The container portfolio is characterised by companies that are among the major operators and tonnage providers.
- Within the crude tanker portfolio, clients are mainly leading international tanker owners.
- DNB has confirmed its position as a world leading arranger of syndicated loans to the shipping and off-shore sectors according to a survey by Dealogic.

Risk classification of portfolio – according to segment ¹⁾

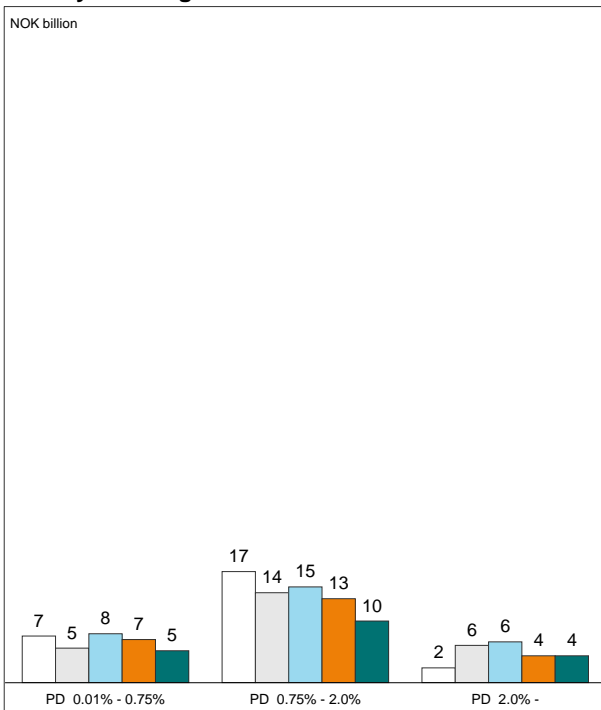
Shipping, Offshore and Logistics Division total



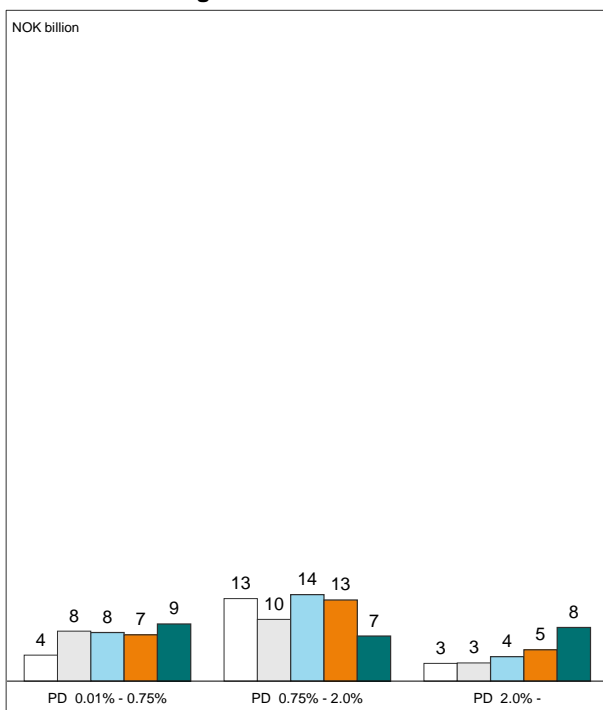
The tanker segment



The dry bulk segment



The container segment



31 March 2011
 30 June 2011
 30 Sept. 2011
 31 Dec. 2011
 31 March 2012

1) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default.
PD = probability of default

DNB Bank (Russia) (part of the Business Management and Products Division)

JSC DNB Bank (Russia) is a regional bank serving corporate and retail customers and has a firm foothold in the Murmansk region in Russia. The bank holds a general licence for banking operations throughout Russia. The bank will be the fundament for further development of DNB's business in the Murmansk and Arkhangelsk region.

Average volumes

<i>Amounts in NOK billion</i>	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net lending to customers ¹⁾	0.5	0.4	0.4	0.4	0.5	0.4	0.5
Guarantees	-	-	-	-	-	-	-
Customer deposits ¹⁾	0.5	0.5	0.6	0.6	0.7	0.6	0.8

1) Lending to customers includes accrued interest, write-downs and value adjustments. Lending to credit institutions are not included. Correspondingly, deposits from customers include accrued interest and value adjustments. Deposits from credit institutions are not included.

DNB Luxembourg

DNB Luxembourg S.A. is a fully licensed bank with two business areas: Private banking and mortgage-financing of secondary homes outside Norway. Target customer base is Norwegians living outside Norway and/or with international interests.

Average volumes

<i>Amounts in NOK billion</i>	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net lending to customers ^{1) 2)}	1.7	2.1	2.9	3.2	3.6	3.0	4.1
Guarantees	-	-	-	-	-	-	-
Customer deposits ¹⁾	4.9	4.5	3.5	3.4	2.7	3.6	1.6

1) Lending to customers includes accrued interest, write-downs and value adjustments. Correspondingly, deposits from customers include accrued interest.

2) The reduction in lending is partly due to transfer of bank-guaranteed loans to Norway.

DNB Markets

DNB Markets is Norway's largest provider of securities and investment banking services. Ottar Ertzeid, group executive vice president, is head of DNB Markets.

DNB Markets comprises the following units:

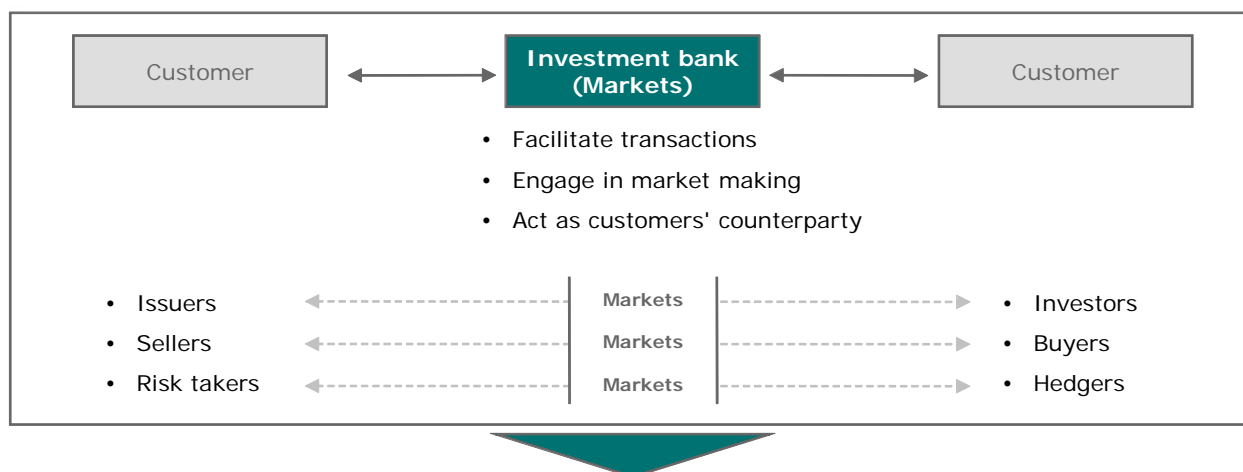
- Fixed Income/Currencies/Commodities
- Equities
- Investment Products
- Corporate Finance
- Securities Services

The Group Treasury is organised within DNB Markets though profits and losses for the unit are not recorded under this business area.

DNB Markets aims to be the leading investment bank for Norwegian and Norwegian-related customers, as well as international clients requiring services relating to Norway and the Norwegian krone. Clients outside Norway are served through the Group's international units, especially shipping, energy and seafood clients.

DNB Markets is a full-service investment bank with leading market positions in Norway. The business area has:

- A diversified business/revenues mix (products and customers)
- A sound mix of customer and trading activities
- Cost and capital-efficient operations



Through its diversified business and products, DNB Markets is well positioned to capitalise on the Group's customer base and interest rate and currency positions.

Products and services

- Currency, interest rate and commodity derivatives.
- Securities and other investment products.
- Debt and equity financing in capital markets, as well as merger and acquisition and other advisory and corporate finance services.
- Custodial and other securities services.

Customers and market shares

- In spite of intensifying competition, DNB Markets maintained its leading market position in Norway within foreign exchange and interest rate activities.
- Manager for the greatest number of Norwegian kroner bond and commercial paper issues in NOK in the domestic market in the first quarter of 2012 (Source: Stamdata, Bloomberg).
- The largest brokerage house on Oslo Børs within fixed income securities in the secondary market in the first quarter of 2012 (Source: Oslo Stock Exchange).
- Leading within domestic securities services (Source: Oslo Stock Exchange).
- 53.4 per cent of limited companies use DNB Markets as registrar in the Norwegian Central Securities Depository (Source: Norwegian Central Securities Depository).

Employees

DNB Markets staff located in offices in Norway and abroad represents 716 full-time positions.

Financial performance

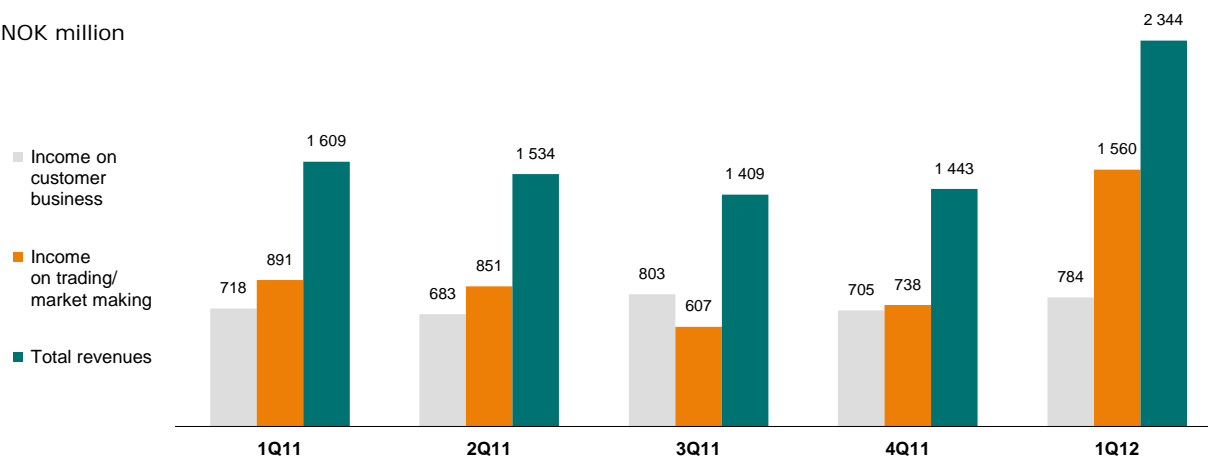
<i>Amounts in NOK million</i>	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net interest income - ordinary operations	193	195	236	202	209	842	928
Interest on allocated capital ¹⁾	45	50	44	35	35	165	145
Net interest income	238	245	280	237	244	1 007	1 073
Net other operating income	2 150	1 247	1 173	1 332	1 400	5 152	4 398
Total income	2 388	1 493	1 454	1 569	1 644	6 159	5 471
Operating expenses	545	483	486	500	529	1 999	1 833
Pre-tax operating profit	1 843	1 009	967	1 069	1 115	4 160	3 638
Allocated capital (NOK billion) ²⁾	6.6	6.7	6.0	5.2	5.5	5.9	5.9
Cost/income ratio (%)	22.8	32.4	33.5	31.9	32.2	32.5	33.5
Return on allocated capital, annualised (%) ²⁾	80.9	42.9	45.9	59.1	59.2	51.0	44.8

1) The interest is calculated on the basis of internal measurement of risk-adjusted capital requirement.

2) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital requirement.

Income distribution

NOK million



Total revenues	1 609	1 534	1 409	1 443	2 344
Interest on allocated capital	35	35	44	50	45
Total income	1 644	1 569	1 454	1 493	2 388

Revenues within various segments, quarterly

Amounts in NOK million

	1Q12	4Q11	3Q11	2Q11	1Q11
FX, interest rate and commodity derivatives	415	407	433	309	327
Investment products	110	137	91	82	123
Corporate finance	212	106	227	230	207
Securities services	46	55	52	62	61
Total customer revenues	784	705	803	683	718
Net income international bond portfolio	781	51	(1)	262	279
Other market making/trading revenues	779	687	608	589	612
Total trading revenues	1 560	738	607	851	891
Interest income on allocated capital	45	50	44	35	35
Total income	2 388	1 493	1 454	1 569	1 644

Revenues within various segments, annual

Amounts in NOK million

	2011	2010	2009	2008	2007
FX, interest rate and commodity derivatives	1 476	1 317	1 665	1 936	1 332
Investment products	432	399	766	574	705
Corporate finance	770	903	570	643	828
Securities services	230	218	190	333	388
Total customer revenues	2 908	2 838	3 191	3 486	3 253
Net income international bond portfolio	591	1 151	1 147	(707)	(1 139)
Other market making/trading revenues	2 495	1 337	2 761	2 600	986
Total trading revenues	3 086	2 488	3 908	1 893	(153)
Interest income on allocated capital	165	145	144	305	117
Total income	6 159	5 471	7 243	5 685	3 217

Distribution and cooperation with other entities

Maintaining a broad distribution network and effective cooperation with other business areas within the Group is a key priority for DNB Markets. Customers are served through:

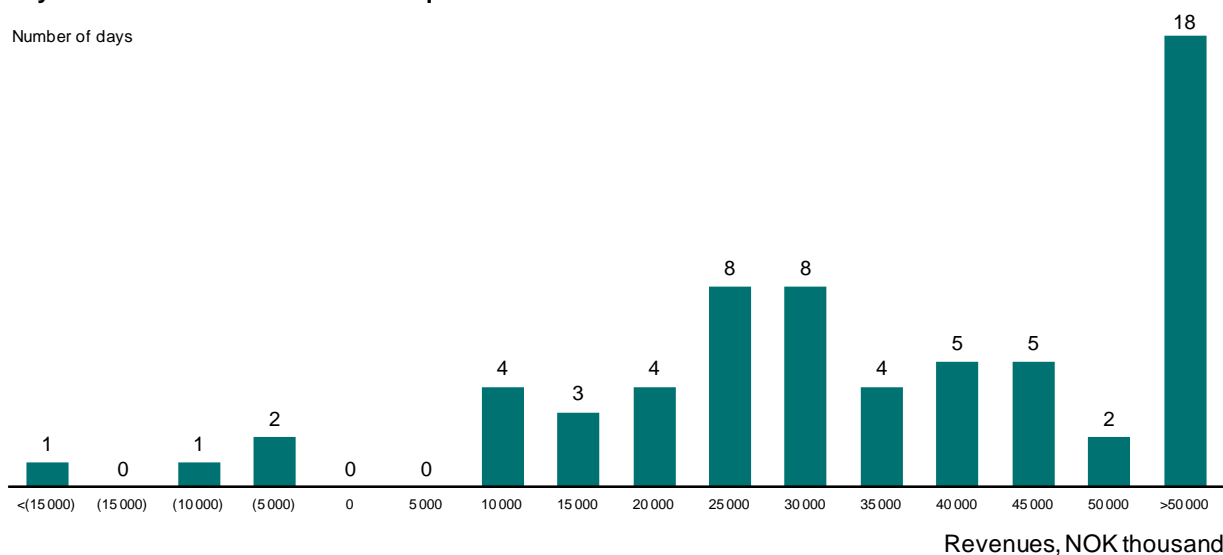
- Central units located in Oslo.
- International offices (Stockholm, London, New York, Houston, Singapore and Shanghai) and 12 regional offices in Norway.

Daily revenue statistics

Amounts in NOK thousand	First quarter		Full year	
	2012	2011	2011	2010
Minimum	(35 184)	(28 766)	(123 659)	(82 403)
Maximum	95 801	87 329	116 728	105 172
Average	25 569	25 218	23 695	21 164
Loss days	4	4	34	44
Gain days	61	60	225	216

Daily revenue distribution in the first quarter of 2012

Number of days



Total income

Amounts in NOK million	1Q12
Total daily revenues	2 344
Interest on allocated capital	45
Total income	2 388

Risk profile

DNB Markets has a moderate risk profile. Customer activities represent the main business. Trading activities support customer activities with products and prices, with focus on Norwegian kroner products.

Value-at-Risk ¹⁾

Market risk arises as a consequence of open positions in foreign exchange, interest rates and equities. The risk is linked to variations in financial results due to fluctuations in market prices or exchange rates. Foreign exchange risk increased somewhat during the first quarter of 2012 while interest rate risk and total market risk declined due to lower volatility.

<i>Amounts in NOK thousand</i>	31 March 2012	First quarter 2012		
	Actual	Average	Maximum	Minimum
Currency risk	14 690	8 520	15 420	2 910
Interest rate risk	29 530	34 534	40 690	25 670
Equities	346	612	2 182	60
Diversification effects ²⁾	(10 620)	(7 262)		
Total	33 946	36 404		

1) Value-at-Risk is the maximum loss that could be incurred on trading positions from one day to the next at a 99 per cent confidence level.

2) Diversification effects refer to currency and interest rate risk only.

Interest rate sensitivity

The value of financial investments recorded on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for DNB resulting from parallel one percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for DNB relative to the Group's positions. Also, all interest rate movements within the same interval are assumed to be unfavourable for the Group. The calculations are based on the Group's positions as at 31 March 2012 and market rates at the same date.

Potential losses for DNB resulting from parallel one percentage point changes in all interest rates

<i>Amounts in NOK million</i>	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
Trading portfolio						
NOK	19	5	225	184	315	80
USD	38	14	29	23	10	85
EUR	34	1	23	14	27	16
GBP	2	3	1	5	0	5
SEK	4	49	6	9	12	43
Other currencies	8	12	42	20	9	68
Banking portfolio						
NOK	271	72	200	187	38	148
EUR	0	4	11	19	2	11
SEK	0	0	9	0	0	9
Total						
NOK	290	77	425	3	277	68
USD	38	14	29	23	10	85
EUR	34	5	34	33	26	4
GBP	4	49	14	9	12	34
SEK	2	3	1	5	0	5
Other currencies	8	12	42	20	9	68

Insurance and Asset Management

The business area Insurance and Asset Management consists of DNB Livsforsikring ASA and DNB Asset Management Holding AS and their respective subsidiaries, in addition to DNB Skadeforsikring. The business area is headed by Tom Rathke, managing director of DNB Livsforsikring and group executive vice president in DNB.

Insurance and Asset Management is responsible for life insurance, pension savings, non-life insurance and asset management operations and aspires to be the most attractive provider of these services in the Norwegian market. An important instrument in achieving this position is to develop a customer-oriented and cost-effective organisation with strong distribution power. Insurance and Asset Management will focus on profitable growth while ensuring competitive returns for the owner and customers.

Financial performance

Amounts in NOK million						Full year	
	1Q12	4Q11	3Q11	2Q11	1Q11	2011	2010
Total income ¹⁾	1 003	831	(114)	1 107	1 267	3 091	4 201
Operating expenses	589	576	575	581	601	2 333	2 288
Pre-tax operating profit ²⁾	414	255	(689)	526	666	758	1 913
Taxes	(95)	(122)	519	11	(226)	182	(630)
Operating profit	509	377	(1 208)	515	892	576	2 544
Assets under management (NOK billion) ²⁾	534	529	520	530	547	529	534
Allocated capital (NOK billion) ³⁾	13.7	15.2	17.7	17.3	15.0	16.3	13.7
Return on allocated capital, annualised (%) ³⁾	14.9	9.8	(27.1)	11.9	24.1	3.5	18.6
Cost/income ratio (%) ⁴⁾	58.7	69.3	(504.2)	52.5	47.4	75.5	54.5
Number of full-time positions at end of period	1 047	1 060	1 067	1 047	1 055	1 060	1 047
of which DNB Livsforsikring	716	733	740	726	735	733	726
of which DNB Asset Management	212	215	216	216	216	215	218
of which DNB Skadeforsikring	119	112	112	105	103	112	102

*) of which DNB Livsforsikring:							
Pre-tax operating profit including interest on allocated capital	381	141	(727)	455	601	469	1 766
Difference between recorded equity and allocated capital	(17)	0	29	21	4	54	42
Recorded pre-tax operating profit	398	141	(756)	434	596	415	1 724

*) of which DNB Asset Management:							
Pre-tax operating profit	42	78	36	61	60	235	276

*) of which DNB Skadeforsikring:							
Pre-tax operating profit including interest on allocated capital	(9)	36	2	10	6	54	(129)
Difference between recorded equity and allocated capital	4	4	4	4	3	16	9
Recorded pre-tax operating profit	(12)	32	(2)	7	3	38	(139)

1) Total income includes interest on allocated capital. The interest is calculated on the basis of internal measurement of risk-adjusted capital requirement.

2) Assets at end of period.

3) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital requirement.

4) Due to stock market developments, operating income in DNB Livsforsikring was negative at NOK 371 million in the third quarter of 2011. This resulted in negative income for the Insurance and Asset Management business area.

Descriptions of the financial performance of DNB Livsforsikring, DNB Asset Management and DNB Skadeforsikring are divided into three separate sections on the next pages.

DNB Livsforsikring

DNB Livsforsikring comprises DNB Livsforsikring ASA including subsidiaries. DNB Livsforsikring provides both products with guaranteed returns and products with a choice of investment profile.

DNB Livsforsikring aims to be Norway's strongest provider of pension savings. DNB Livsforsikring seeks continued growth within the company's business segments and aims to deliver competitive results to its policyholders and owner. Devoting further efforts to improving cost efficiency, providing top-quality advisory services, maintaining high levels of service and customer relationship management, exploiting the DNB Group distribution network and serving as an attractive entry portal for customers into the DNB Group will be instrumental in reaching these targets.

Business model

DNB Livsforsikring's products fall into three main categories:

- Guaranteed products without profit sharing, where the company's main source of income is fee charged based on guaranteed investment return and insurance risk covered
- Fee based products without interest guarantees
- Guaranteed products where total profit is split between policy owners and the company.

In addition, the corporate portfolio (i.e. shareholders' equity, subordinated loans etc) is managed as a separate investment portfolio.

		Reserves (NOK billion)	Annual guaranteed return on policyholders' funds (In per cent)
Fee - based with guarantee	Corporate sector - defined benefit	68	3.1
	Municipal sector - defined benefit	37	2.8
	Individual sector - defined benefit	8	1.7
Fee - based without guarantee	Unit linked - individual	9	
	Defined contribution - corporate	16	
	Risk products - individual	1	
	Risk products - corporate	1	
Profit sharing with guarantee	Paid-up policies (profit sharing 20/80) ¹⁾	59	3.4
	Previously established individual products (profit sharing 35/65) ²⁾	44	3.6
Corporate portfolio		21	

1) The owner's share of the positive interest result and risk result is 20 and 50 per cent, respectively. The entire administration result accrues to the owner.

2) Previously established individual products are products sold prior to 1 January 2008, when new regulations for insurance companies entered into force. The owner's share of the positive result is 35 per cent.

Products

- Group pension schemes to businesses and the public sector, the most important products being defined-benefit and defined-contribution occupational pension schemes.
- Employer's Liability Insurance to the corporate market.
- Group pension schemes to businesses, adapted to customer needs for defined-benefit and defined-contribution schemes.
- Long-term savings alternatives in the form of individual pension agreements and annuities in the retail market.
- Products are offered with guaranteed returns or with a choice of investment profile.
- Risk products in both the corporate and individual markets.
- Savings products from other units in the DNB Group, including mutual funds from DNB Asset Management and equity-linked bonds from DNB Markets.

Organisation and markets

The business area is represented in most parts of Norway through sales offices and also provides services through DNB's distribution networks and independent agents, as well as via the Internet.

Employees

DNB Livsforsikring gives priority to retaining and developing a high level of expertise within insurance products, management and other relevant areas of competence. At end-March 2012, DNB Livsforsikring's staff included 716 permanent full-time positions and 56 temporary employees.

Financial performance

							Full year	
Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	2011	2010	
Net result from equities	1 504	2 199	(6 600)	(1 145)	766	(4 780)	4 880	
Net result from other asset classes ^{*)}	2 869	1 536	2 652	3 055	2 137	9 381	9 031	
Value-adjusted financial result ^{1) 2)}	4 373	3 735	(3 948)	1 911	2 903	4 601	13 911	
Guaranteed return on policyholders' funds	1 714	1 756	1 693	1 701	1 707	6 857	6 594	
Financial result after guaranteed returns	2 658	1 979	(5 641)	209	1 197	(2 256)	7 317	
+ From market value adjustment reserve	(1 309)	(409)	101	1 940	550	2 181	(1 284)	
Recorded interest result before the application of/ (transfers to) additional allocations	1 349	1 570	(5 540)	2 149	1 747	(74)	6 033	
Application of/(transfers to) additional allocations	0	(1 062)	1 586	0	0	524	(407)	
Recorded interest result	1 349	508	(3 954)	2 149	1 747	450	5 626	
Risk result ^{**)}	(102)	62	202	(137)	2	129	(242)	
Administration result	(12)	(162)	(8)	(4)	(18)	(192)	(104)	
Upfront pricing of risk and guaranteed rate of return	142	136	132	133	130	531	552	
Transferred from/(to) security reserve	(10)	(18)	(6)	(7)	(10)	(41)	(14)	
Allocations to policyholders, products with guaranteed returns ³⁾	969	385	(2 877)	1 700	1 255	462	4 093	
Net profit	398	141	(756)	434	596	415	1 724	
Taxes	(104)	(154)	508	(9)	(244)	101	(672)	
Profit	502	294	(1 264)	443	840	314	2 396	
Return on allocated capital, annualised ⁴⁾	15.8	8.5	(30.2)	11.7	25.1	2.5	19.5	
 ^{*)} Of which property revaluation ⁵⁾	 70	 225	 405	 227	 88	 945	 341	
^{**)} Of which provisions for higher life expectancy ⁶⁾	(118)	(75)	(33)	(97)	(96)	(300)	(973)	

1) Before unrealised gains on long-term securities.

2) See table below. For developments in the asset mix and return on assets from products with guaranteed returns, see tables on pages 78 and 75.

3) Provisions representing 5-7 per cent of the premium reserve within group pension schemes may be required over the next few years, depending on whether Statistics Norway's low or medium alternative for life expectancy is used. The company expects to be able to finance the increase through a positive interest result, though the length of the escalation plan and the contribution from equity remain to be clarified. As part of the upward adjustment of life expectancy, provisions for group pension insurance were increased by NOK 733 million in the first quarter 2012. The increase in reserves was financed by the interest result.

4) The return on allocated capital is calculated on the basis of internal measurement of risk-adjusted capital requirement.

5) Changes in the value of directly owned properties, DNB Scandinavian Property Fund and properties owned through joint ventures. The total value of investment properties was NOK 37.8 billion as at 31 March 2012.

6) As Norwegian life insurance companies offer life-long pension payments, higher life expectancy in the population is one of many risk factors. DNB Livsforsikring strengthened its reserves during the 2009 to 2011 to reflect higher life expectancy for individual pension insurance. At the start of 2012, the remaining required increase in reserves was estimated at NOK 470 million, all of which will be built up during 2012.

Result

						Full year	
<i>Amounts in NOK million</i>	1Q12	4Q11	3Q11	2Q11	1Q11	2011	2010
Upfront pricing of risk and guaranteed rate of return	142	136	132	133	130	531	552
Return on corporate portfolio	211	(6)	(380)	121	258	(8)	485
Total inadequate additional allocations ¹⁾	0	35	(53)	0	0	(18)	0
Owner's share of interest profit, common portfolio ^{2) 3)}	87	0	(476)	269	207	0	662
Owner's share of risk result, common portfolio ^{3) 4)}	(80)	(25)	6	(28)	21	(27)	69
Administration result, common portfolio + unit linked ⁵⁾	(32)	(52)	26	(27)	(36)	(89)	(104)
Risk result and interest profit, unit linked ⁶⁾	0	(8)	12	(3)	(10)	(9)	14
Risk products ⁷⁾	71	60	(22)	(30)	27	35	46
Pre-tax operating profit	398	141	(756)	434	596	415	1 724

- 1) The owner must cover any negative return on financial assets. If the return on financial assets is between nil and the guaranteed rate of return, the owner must cover the difference for contracts for which no or inadequate additional allocations have been made.
- 2) Including the owner's share of the interest result from paid-up policies and previously established individual products. The owner's share of the positive interest result from paid-up policies and previously established individual products is 20 and 35 per cent, respectively. Previously established individual products are products sold prior to 1 January 2008, when new regulations for insurance activity entered into force.
- 3) 35 per cent of the increase in reserves to cover higher life expectancy within individual annuity and pension insurance will be charged to the owner. This charge is included under 'Owner's share of risk result'. If there is a negative result within individual annuity and pension insurance, the owner is required to cover more than 35 per cent of the increase in reserves.
- 4) For parts of the common portfolio, including paid-up policies, 50 per cent of the positive risk result may be allocated to the risk equalisation fund. The positive risk result for previously established individual products will be allocated to the owner according to the profit sharing model, i.e. by 35 per cent. A negative result will be charged to the owner.
- 5) The administration result from the low, moderate and high-risk portfolios and from paid-up policies will be allocated to the owner. If the overall result for previously established individual products shows a profit, the administration result will be divided between policyholders and the owner (65/35). A negative result will be charged to the owner.
- 6) The risk result and interest result from unit linked products was previously shown under Administration result, common portfolio + unit linked. Figures for previous periods have been restated accordingly.
- 7) Includes employer's liability insurance and group life insurance.

Tax charge in DNB Livsforsikring after the introduction of the "exemption model" ¹⁾

<i>Amounts in NOK million</i>	Full year					
	1Q12	2011	2010	2009	2008	2007
Tax charge	(104)	101	(672)	(175)	427	(2 074)

- 1) With effect from the 2004 fiscal year, new rules were introduced for the taxation of dividends and income from shares for corporate shareholders, the so-called "exemption model". This model implies that as a rule, corporate shareholders will only be subject to a limited tax on dividends and income from shares etc. Correspondingly, there will be no tax deduction for losses upon the realisation of shares. However, the Ministry of Finance proposed to limit the use of the exemption model to returns which accrue to the owner with effect from 1 January 2012.

Value-adjusted return on assets

Per cent	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Return - common portfolio ¹⁾							
Financial assets							
Norwegian equities	11.4	11.3	(17.4)	(4.7)	0.6	(11.7)	18.6
International equities ²⁾	10.0	9.2	(15.7)	(1.0)	2.6	(6.3)	10.7
Norwegian bonds	1.5	0.9	2.8	2.2	(0.2)	5.8	6.0
International bonds	2.3	0.0	4.4	2.6	0.1	7.2	7.2
Money market instruments	0.7	0.9	0.9	0.7	0.7	3.1	2.8
Bonds held to maturity	1.2	1.3	1.3	1.3	1.2	5.1	5.0
Investment property	1.5	2.0	2.4	2.0	1.5	7.9	6.3
Value-adjusted return on assets I ³⁾	1.9	1.7	(1.7)	0.8	1.3	2.1	6.8
Value-adjusted return on assets II ⁴⁾	2.2	1.6	(0.9)	1.3	0.8	2.8	6.9
Recorded return on assets ^{5) *)}	1.3	1.5	(1.6)	1.8	1.5	3.2	6.2
Value-adjusted return on assets I, annualised ³⁾	8.1	7.2	(6.5)	3.4	5.2	3.3	7.0
Value-adjusted return on assets II, annualised ⁴⁾	9.4	6.7	(3.7)	5.5	3.1	4.3	7.1
Return - corporate portfolio							
Value-adjusted return on assets I ³⁾	1.2	0.7	(2.2)	0.9	1.8	1.2	4.7

*) Recorded return broken down on sub-portfolios in the common portfolio:

Previously established individual products	1.4	1.6	(2.1)	1.8	1.7	3.0	6.3
Paid-up policies ⁶⁾				1.8	1.5		6.4
- with low risk ⁶⁾	1.1	1.4	(1.3)			3.4	
- with moderate risk ⁶⁾	1.2	1.5	(1.6)			3.3	
- with high risk ⁶⁾	1.3	1.6	(2.9)			1.9	
Common portfolio							
- with low risk	1.2	1.2	(0.7)	1.8	1.1	3.5	5.5
- with moderate risk	1.5	1.5	(1.3)	1.8	1.4	3.5	6.0
- with high risk	1.8	1.6	(2.1)	1.7	1.6	2.8	6.5
Public market ⁷⁾	1.2						
Recorded return on assets	1.3	1.5	(1.6)	1.8	1.5	3.2	6.2

1) Returns are calculated on a quarterly basis.

2) International equities include DNB Livsforsikring's exposure in hedge funds, private equities and real estate funds.

3) Excluding changes in value of commercial paper and bonds held to maturity.

4) Including unrealised gains on commercial paper and bonds held to maturity.

5) Excluding unrealised gains on financial instruments.

6) With effect from 1 July 2011, the paid-up policy portfolio was divided into three financial management categories (low, moderat and high risk).

7) At year-end 2011, DNB Livsforsikring chose to establish a separate portfolio for public sector customers. The portfolio will carry lower risk, and prices will be adapted to the public market.

Key figures per sub-portfolio as at 31 March 2012

	Corporate portfolio	Common portfolio							
		Total common portfolio	Advance pricing of guaranteed rate of return				Profit sharing		
			Common portfolio with			Public market ¹⁾	Paid-up policies with		Previously established individual products
			low risk	moderate risk	high risk		low risk	moderate risk	high risk
<i>Per cent</i>									
Recorded return on assets	1.2	1.3	1.2	1.5	1.8	1.2	1.1	1.2	1.3
Value-adjusted return on assets	1.2	1.9	1.8	2.1	2.4	1.8	1.7	1.8	1.9
Asset class breakdown: ²⁾									
- Equity exposure	4.7	10.8	8.5	12.0	15.6	9.9	6.5	8.6	10.2
- Money market instruments	81.7	16.9	22.8	19.3	15.7	21.4	11.5	9.4	7.8

1) At year-end 2011, DNB Livsforsikring chose to establish a separate portfolio for public sector customers. The portfolio will carry lower risk, and prices will be adapted to the public market.

2) The only differences between the portfolios are their respective exposures to equities and money markets instruments. The equity exposure includes financial derivatives and exposure in private equity, hedge funds and property funds.

Premium income

<i>Amounts in NOK million</i>							Full year	
	1Q12	4Q11	3Q11	2Q11	1Q11		2011	2010
Total premiums due ^{1) 2)}	7 756	3 008	4 972	3 410	6 813		18 203	16 126
Inflow of reserves	675	566	1 051	400	3 044		5 061	3 753
Outflow of reserves	1 534	705	695	1 017	725		3 142	3 171
Net premiums paid	6 896	2 870	5 328	2 793	9 131		20 122	16 708
Outflow of reserves	1 534	705	695	1 017	725		3 142	3 171
Total premium income	8 430	3 575	6 023	3 810	9 856		23 264	19 879

1) Of which group pensions - defined benefit

5 278 1 128 2 923 1 139 4 669 9 860 9 184

2) Of which group pensions - defined contribution

846 795 773 716 784 3 068 2 695

Reconciliation of DNB Livsforsikring's and the Group's income statement

The table below shows how lines in DNB Livsforsikring's income statement are included in the Group's income statement.

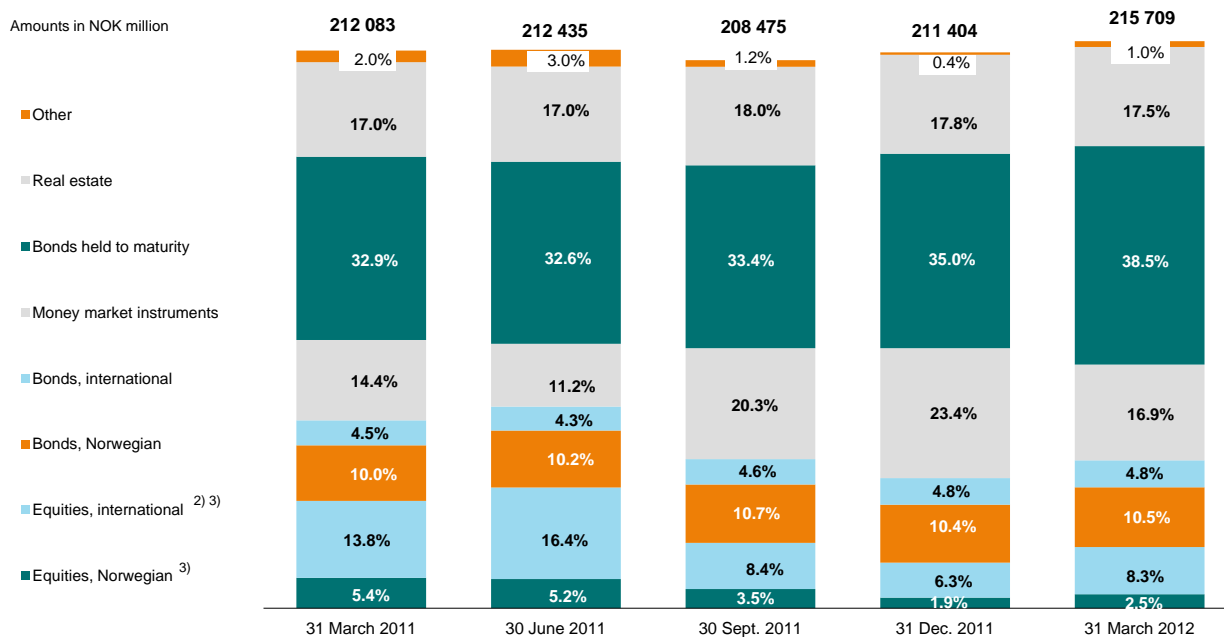
	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
<u>DNB Group:</u>							
Net gains on assets in DNB Livsforsikring	4 548	4 255	(5 275)	3 342	3 473	5 795	15 068
Guaranteed returns and allocations to policyholders in DNB Livsforsikring	4 157	4 124	(4 208)	2 884	2 972	5 772	13 500
Premium income etc. included in the risk result in DNB Livsforsikring	1 330	1 291	1 213	1 211	1 226	4 941	4 721
Insurance claims etc. included in the risk result in DNB Livsforsikring	1 442	1 247	1 017	1 355	1 234	4 853	4 977
Net financial and risk result in DNB Livsforsikring	279	176	(871)	314	493	112	1 313
<u>DNB Livsforsikring:</u>							
Recorded interest result	1 349	508	(3 954)	2 149	1 747	450	5 626
Allocations to policyholders, products with guaranteed returns	969	385	(2 877)	1 700	1 255	462	4 093
Risk result	(102)	62	202	(137)	2	129	(242)
Transferred from/(to) security reserve	(10)	(18)	(6)	(7)	(10)	(41)	(14)
+ Costs from subsidiaries which are fully consolidated in DNB Livsforsikring's accounts	11	8	9	9	10	36	36
Net financial and risk result in DNB Livsforsikring	279	176	(871)	314	493	112	1 313

<u>DNB Group:</u>							
Commissions and fees receivable	569	426	567	589	579	2 162	2 303
Commissions and fees payable	84	78	74	84	79	315	358
Other income	8	9	5	7	8	29	0
Operating expenses	374	392	384	392	405	1 573	1 534
Administration result including upfront pricing of risk and guaranteed rate of return	119	(34)	115	120	103	303	411
<u>DNB Livsforsikring:</u>							
Upfront pricing of risk and guaranteed rate of return	142	136	132	133	130	531	552
Administration result	(12)	(162)	(8)	(4)	(18)	(192)	(104)
- Costs from subsidiaries which are fully consolidated in DNB Livsforsikring's accounts	11	8	9	9	10	36	36
Administration result including upfront pricing of risk and guaranteed rate of return	119	(34)	115	120	103	303	411

Balance sheets ¹⁾

Amounts in NOK million	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Lending to and deposits with credit institutions	5 588	4 999	7 532	6 476	3 624
Lending to customers	1 926	1 858	996	972	1 345
Commercial paper and bonds	66 550	72 810	52 284	50 002	53 235
Shareholdings	41 925	40 607	58 974	64 697	61 301
Financial assets, customers bearing the risk	25 770	23 776	22 712	23 689	23 875
Financial derivatives	1 246	1 470	1 505	2 291	1 943
Commercial paper and bonds, held to maturity	83 528	73 954	69 677	69 285	69 708
Investment property	37 764	37 632	37 494	36 143	36 034
Investments in associated companies	16	16	16	17	16
Intangible assets	219	240	246	248	253
Deferred tax assets	0	0	69	0	873
Fixed assets	9	10	12	17	19
Other assets	2 828	1 460	4 135	3 052	3 942
Total assets	267 368	258 831	255 653	256 889	256 169
Financial derivatives	1 183	2 322	2 282	928	752
Insurance liabilities, customers bearing the risk ²⁾	25 770	23 776	22 712	23 689	23 875
Liabilities to life insurance policyholders in DNB Livsforsikring ²⁾	218 093	212 271	209 889	213 390	212 773
Payable taxes	41	214	1 085	263	27
Deferred taxes	279	382	0	243	0
Other liabilities	4 300	2 646	5 724	3 178	2 783
Pension commitments	222	224	223	224	224
Subordinated loan capital	2 491	2 509	2 505	2 477	2 481
Total liabilities	252 378	244 343	244 420	244 392	242 915
Share capital	1 621	1 621	1 321	1 321	1 321
Share premium reserve	3 875	3 875	1 175	1 175	1 175
Other equity	9 494	8 992	8 737	10 001	10 758
Total equity	14 990	14 488	11 233	12 497	13 254
Total liabilities and equity	267 368	258 831	255 653	256 889	256 169
*) Of which group pensions - defined contribution	16 609	14 821	13 544	13 318	12 791
**) Of which group pensions - defined benefit	163 479	158 561	156 248	157 870	156 335

1) The figures encompass DNB Livsforsikring ASA including subsidiaries as included in the DNB Group accounts before eliminations of intra-group transactions and balances.

Financial exposure - common portfolio ¹⁾

1) The figures represent net exposure after derivative contracts.

2) International equities include DNB Livsforsikring's exposure in hedge funds, private equities and real estate funds.

3) Equity exposure per sub-portfolio in the common portfolio, see table on page 76.

Market shares in Norway

<i>Per cent</i>	31 Dec. 2011	31 March 2011
Of insurance funds including products with a choice of investment profile	28.9	29.8
- Corporate market	39.2	39.5
- Public market	10.5	10.9
- Retail market	52.2	53.1

Source: Finance Norway (FNO)

Cooperation with other group entities

- By taking advantage of the strength of the DNB Group's total distribution network, DNB Livsforsikring is well positioned to enjoy continued market growth.
- In the first quarter of 2012, other business areas accounted for 68.5 per cent of the sales of DNB Livsforsikring's products in the retail market, compared with 42.4 per cent in the corresponding period of 2011.

Solvency capital ^{1) 2)}

<i>Amounts in NOK million</i>	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Interim profit, accumulated	1 367	0	352	3 985	1 851
Market value adjustment reserve	1 719	409	0	101	2 041
Additional allocations	5 132	5 171	3 775	5 389	5 574
Security reserve	206	196	177	177	168
Risk equalisation fund	821	821	661	661	661
Equity ³⁾	13 667	13 667	10 552	10 553	11 753
Subordinated loan capital and perpetual subordinated loan capital securities	2 484	2 503	2 485	2 472	2 476
Unrealised gains on long-term securities	3 121	2 444	2 655	1 105	51
Solvency capital ³⁾	28 516	25 211	20 658	24 443	24 575
Buffer capital ⁴⁾	13 680	11 527	6 278	11 432	12 196

1) According to prevailing regulations for the statutory accounts of life insurance companies.

2) The table shows the composition of and development in solvency capital. All these elements, with the exception of part of the security reserve, can be used to meet the guaranteed rate of return on policyholders' funds.

3) In order to increase the level of solvency capital, DNB Livsforsikring received a NOK 3 billion equity injection from DNB ASA in October 2011. The increase in capital is part of the process to adapt to new capital requirements under the Solvency II regulations which will be introduced from 2013.

4) Buffer capital represents the sum of equity and subordinated loan capital in excess of the minimum statutory capital requirement, interim profits, additional allocations and the market value adjustment reserve.

Capital adequacy and solvency margin capital ¹⁾

<i>Amounts in NOK million</i>	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Capital adequacy ²⁾					
Total eligible primary capital	14 633	14 869	11 688	11 730	12 324
Capital adequacy ratio (%)	14.0	15.3	9.8	9.6	10.3
Core capital	13 474	13 521	10 297	10 348	10 938
Core capital (%)	12.9	13.9	8.6	8.5	9.1
Risk-weighted assets	104 615	97 133	119 201	122 164	119 926
Solvency margin capital ³⁾					
Solvency margin capital	17 703	17 953	14 123	14 835	15 517
Solvency margin capital exceeding minimum requirement	8 121	8 621	4 938	5 637	6 325
Solvency margin capital in per cent of solvency margin capital requirement (%)	185	192	154	161	169

1) Prepared in accordance with prevailing regulations for life insurance companies. New regulations are expected upon the introduction of Solvency II.

2) Capital adequacy regulations regulate the relationship between the company's primary capital and the investment exposure on the asset side of the balance sheet. Life insurance companies are subject to a minimum capital adequacy requirement of 8 per cent.

3) Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments on the liabilities side of the balance sheet. The solvency margin requirements for Norwegian life insurance companies are subject to regulations on the calculation of solvency capital requirements and solvency margin capital, as laid down by the Ministry of Finance on 19 May 1995.

DNB Asset Management

DNB Asset Management provides mutual funds and discretionary portfolio management services to Norwegian, Nordic and European corporate clients, the public sector, private pension funds and retail clients. Torkild Varran is head of DNB Asset Management.

DNB Asset Management seeks to provide first-class returns on customer funds within the preferred risk profile and investment horizon. The company aspires to be the leading asset manager for clients in the Nordic region, providing sound long-term returns and a high level of service based on a thorough understanding of customer needs.

Products and services

- Mutual funds, hedge funds and absolute return products
- Discretionary portfolio management
- Management and monitoring of investment portfolios
- Asset allocation and risk management advisory services

Organisation

- One holding company, DNB Asset Management Holding AS, with separate asset management companies in major markets.
- Customer activity is concentrated in Norway, Sweden and Luxembourg. In order to provide competitive global asset management, investment operations have also been established in Hong Kong and Chennai.
- A combination of regional and sector-oriented management teams.
- Asset management services are provided through channels adapted to the various markets:

Retail clients in Norway

- DNB's extensive network of branches and regional financial service centres
- Postal offices and in-store postal outlets
- The Internet
- External channels including brokers, investment advisers and regional and local savings banks

Retail clients in Sweden

- Local distributors

Institutional markets in Sweden and Norway

- The business area's own sales force and, in Norway, also through cooperation with Large Corporates and International

Employees

DNB Asset Management totalled 212 full-time positions at the end of the quarter.

Financial performance

<i>Amounts in NOK million</i>	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net interest income - ordinary operations	(9)	(10)	(10)	(10)	(9)	(38)	(3)
Interest on allocated capital ¹⁾	4	4	4	4	3	15	13
Net interest income	(5)	(5)	(6)	(6)	(5)	(23)	10
Net commission income							
- from retail customers	73	78	79	95	98	350	357
- from institutional clients	125	138	107	114	119	478	481
Other income	3	4	5	2	1	12	20
Total income	196	215	184	205	213	818	868
Operating expenses	154	137	149	144	154	583	592
Pre-tax operating profit before write-downs	42	78	36	61	60	234	276
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Pre-tax operating profit	42	78	36	61	60	235	276

Assets under management (NOK billion) ^{2) 3)}							
Institutional	448	443	432	439	452	443	442
- of which DNB Livsforsikring ⁴⁾	218	210	204	206	205	210	199
Retail	36	37	36	41	43	37	44
Total	484	480	468	479	495	480	485

Key figures							
Cost/income ratio (%)	78.7	63.6	80.5	70.4	72.0	71.3	68.2
Return on allocated capital, annualised (%) ⁵⁾	21.0	38.2	19.1	32.7	32.4	30.8	38.2

1) The interest is calculated on the basis of internal measurement of risk-adjusted capital requirement.

2) Assets under management and assets under operation at end of period.

3) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.

4) Managed on behalf of DNB Livsforsikring.

5) The return on allocated capital is calculated on the basis of internal measurement of risk-adjusted capital requirement.

Assets under management - distribution by market segment ¹⁾

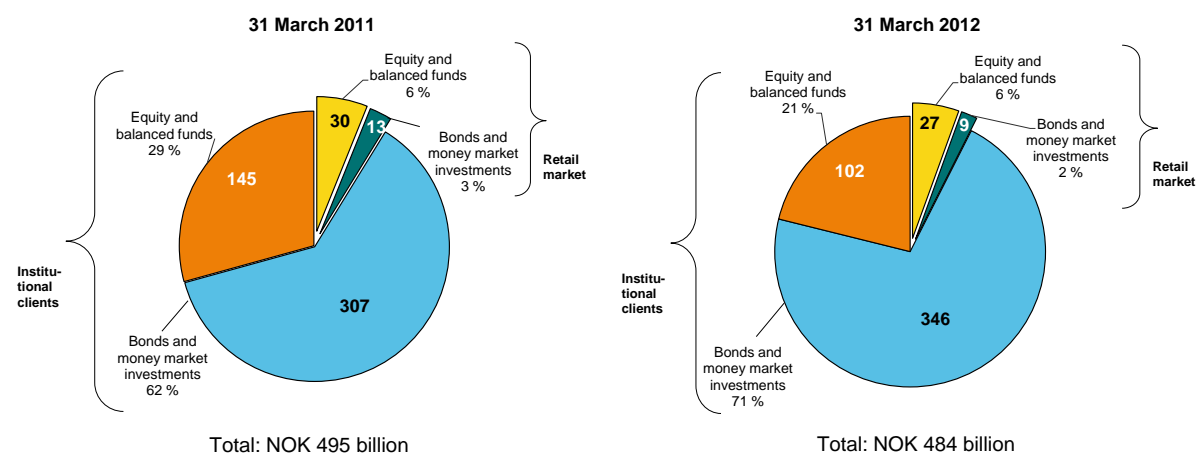
NOK billion



1) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.

2) Share of total assets in the institutional and retail market respectively, invested in bonds, fixed-income funds and money market funds.

Assets under management - distribution by investment type ¹⁾



(Amounts in NOK billion and per cent of total assets)

1) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.

Changes in assets under management - net inflow

Amounts in NOK million	1Q12 ¹⁾	4Q11	3Q11	2Q11	1Q11 ²⁾	Full year	
						2011 ²⁾	2010 ³⁾
Retail market	(2 708)	(1 044)	(1 085)	(794)	(272)	(3 195)	(1 041)
Institutional clients	(7 306)	288	3 160	(9 132)	6 438	754	(6 093)
Total	(10 014)	(756)	2 075	(9 926)	6 166	(2 441)	(7 134)

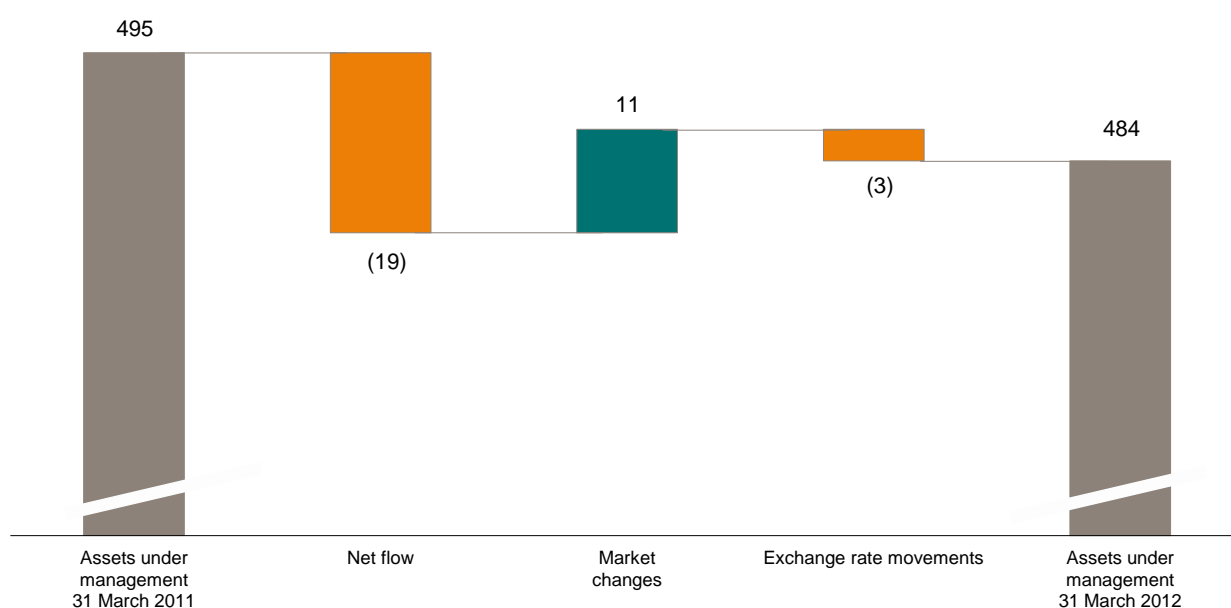
1) Excluding dividends of NOK 2 252 million, of which NOK 312 million refers to retail and NOK 1 940 million to institutional clients.

2) Excluding dividends of NOK 1 932 million, of which NOK 357 million refers to retail and NOK 1 575 million to institutional clients.

3) Excluding dividends of NOK 2 450 million, of which NOK 537 million refers to retail and NOK 1 913 million to institutional clients.

Changes in assets under management ¹⁾

NOK billion

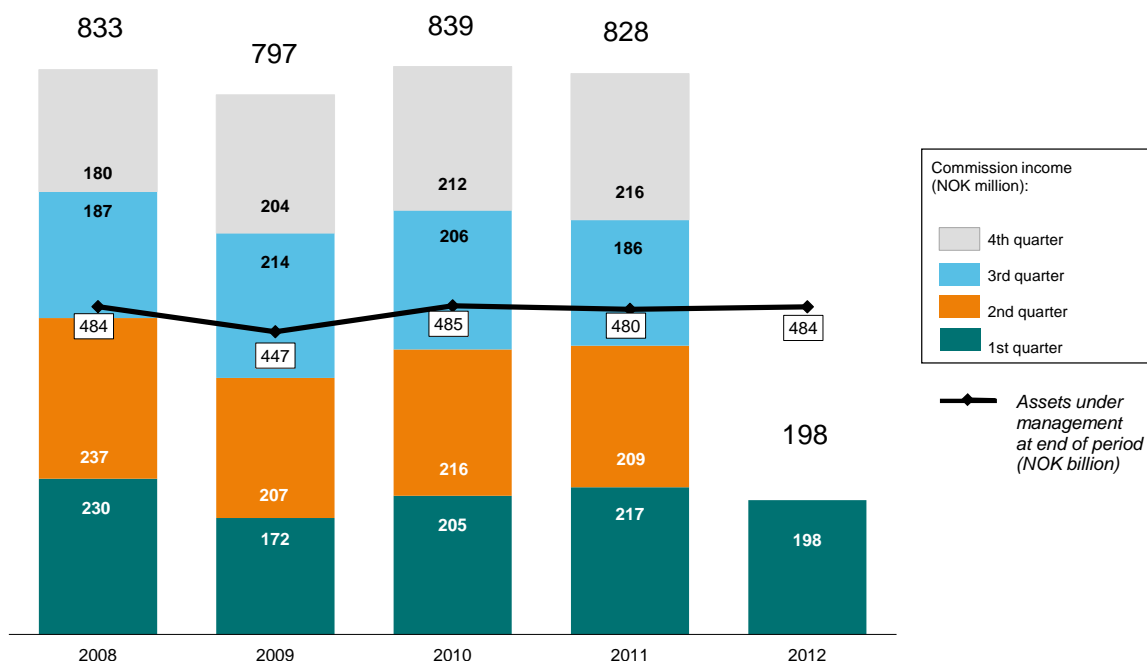


1) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.

Comments to changes in assets under management as from 31 March 2011

- Assets under management decreased by NOK 11.2 billion or 2.3 per cent.
Net flow:
 - There was a net outflow of funds from institutional clients of NOK 13.0 billion or 2.6 per cent.
 - New institutional mandates were obtained in both Sweden and Norway.
 - There was a net outflow of funds from the retail market of NOK 5.6 billion or 1.1 per cent.
- Market changes:
 - Market developments led to a NOK 10.7 billion increase in assets under management, representing 2.2 per cent measured in clients' base currencies.
 - During the last four quarters, Morgan Stanley's global equity index increased by 0.6 per cent measured in USD and by 3.7 per cent measured in NOK.
 - Prices on the stock exchange in Stockholm (OMX) decreased by 5.3 per cent, and the stock exchange in Oslo (OSEBX) experienced 4.2 per cent fall of prices during the last four quarters.
- Exchange rate movements:
 - The appreciation of NOK against other currencies, especially SEK, decreased assets under management by NOK 3.3 billion.

Development in commission income and assets under management ¹⁾



1) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.

Investment returns on assets under management as from 31 March 2011

- Returns on a number of major client portfolios and funds outperformed relevant benchmarks.
- Fund managers' specialisation has led to strong relative performance for several funds (return in excess of benchmark):
 - Equity funds:
 - DNB Nordic Technology 13.3 per cent
 - DNB SMB 13.0 per cent
 - DNB Telecom 8.6 per cent
 - Money Market funds:
 - DNB Likviditet (IV) 1.9 per cent
 - DNB Rentespar 1.6 per cent
 - Bond funds:
 - DNB AM Obligasjon 4 0.9 per cent
 - DNB Global Credit 0.7 per cent

Clients/markets

- DNB Asset Management serves the Nordic and European savings markets, offering domestic and international asset management services.
- Brand names:
 - DNB Asset Management in all markets.
- A leading position in the institutional market in both Norway and Sweden with 258 institutional clients. The largest clients are DNB Livsforsikring and Skandia Liv.
- The number of mutual fund clients in Norway was approximately 550 000 at the end of March 2012. The number of active savings schemes reached nearly 261 000.
- Market shares:
 - Retail mutual funds in Norway 28.3 per cent ¹⁾
 - Total mutual funds in Sweden and Luxembourg ≈ 1.5 per cent
 - Institutional market in Norway (mutual funds in Norway) 19.4 per cent ¹⁾
 - Institutional market in Sweden > 15 per cent

1) Source: Norwegian Mutual Fund Association.

Retail: Fund capital and market shares in Norway

	31 March 2012		31 December 2011		31 December 2010	
	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share
<i>Amounts in NOK million and per cent</i>						
Equity funds	25 481	25.5	23 210	25.8	23 306	22.2
Balanced funds	7 643	52.7	7 266	53.1	7 753	56.3
Fixed-income funds	12 136	26.5	14 143	31.1	15 979	38.0
Total mutual funds	45 260	28.3	44 619	29.9	47 039	29.3

Source: Norwegian Mutual Fund Association

Cooperation with other group entities

- DNB's extensive network represents the major distribution channel in the Norwegian retail market.
- DNB Asset Management cooperates with Large Corporate and International and Retail Banking in providing a complete range of financial services to corporate clients.
- DNB Asset Management manages DNB Livsforsikring's equity and bond portfolios.
- DNB Asset Management cooperates with other group entities in developing products adapted to the various markets.

DNB Skadeforsikring

DNB Skadeforsikring primarily offers non-life insurance products to the retail market. Hans Petter Madsen is head of DNB Skadeforsikring.

DNB Skadeforsikring is in an expansion phase. The company is well positioned to become an important player in the Norwegian market in the longer term.

Products:

- private house and contents insurance
- car insurance
- travel insurance etc.

Customers and markets shares

- Non-life insurance products are sold mainly through the bank's distribution network, and special initiatives in the large cities have produced good results. At end-March 2012, gross premiums written came to NOK 602 million. The number of policyholders increased by 2 000 from end-December 2011, to approximately 176 000 at end-March 2012.
- DNB's share of the total non-life insurance market (DNB Skadeforsikring + non-life insurance products in DNB Livsforsikring) was 4.4 per cent at end-December 2011.
- The market shares for DNB Skadeforsikring's core products car and combined insurance (home/fire insurance etc.) were 4.4 per cent and 5.3 per cent, respectively, at end-December 2011.

Financial performance

	1Q12	4Q11	3Q11	2Q11	1Q11	Full year 2011
<i>Amounts in NOK million</i>						
Premium income for own account	302	287	291	269	247	1 093
Cost of claims for own account	250	219	220	201	206	845
Insurance-related operating expenses for own account	65	59	57	63	61	240
Technical insurance profits	(14)	9	13	5	(20)	8
Net investment income	13	28	(20)	8	5	22
Security reserve	4	6	0	5	2	14
Other income and costs	(8)	1	3	(2)	19	22
Pre-tax profit	(12)	32	(2)	7	3	38
Taxes	(1)	13	(1)	3	0	14
Profit for the period	(12)	19	(1)	4	2	24
Claims ratio for own account	83.0	76.4	75.6	74.7	83.4	77.3
Cost ratio for own account	21.6	20.6	19.8	23.4	24.5	21.9
Combined ratio for own account (per cent)	104.6	97.0	95.4	98.0	107.9	99.3

Combined ratio for own account at end-March 2012 has decreased by 0.4 per cent compared to the first quarter of 2011. Despite the increased level of claims after two major hurricanes in 2011, the claims ratio has decreased in the first quarter of 2012. The cost ratio has decreased with 3.3 per cent due to the efforts on increased efficiency.

DNB Baltics and Poland

DNB Baltics and Poland is organised under the Large Corporates and International business area. The division is headed by Terje Turnes. DNB Baltics and Poland's core markets are Estonia, Latvia, Lithuania and Poland, where the bank has either a strong market position or a long-term growth potential. The bank provides a broad range of products to both the retail and corporate markets and is committed to developing a strong brand as a full-service bank.

Organisation and market

- DNB Baltics and Poland serves more than 1 million retail and corporate clients.
- At end-March 2012 DNB Baltics and Poland had 159 branches and offices in the four countries.
- DNB Baltics and Poland's staff represented 3 321 full-time positions at end-March 2012.
- DNB was the third largest bank in Lithuania and number four in Latvia, measured by lending to customers. In these countries DNB is providing a full range of services to individual and corporate customers. In Estonia, the bank was number five in terms of total lending and the main focus is on corporate lending. In spite of reduced lending volumes, DNB has increased its market share in all the Baltic States.
- DNB Poland is providing financial services to individual and corporate customers.
- The macroeconomic situation in the Baltics has improved, but investments and credit demand are still low, giving a reduction in lending volumes. Due to economic recovery in the Baltic States, DNB Baltics and Poland expects the level of write-downs on loans to decrease in coming years, but there is still uncertainty regarding the home mortgage portfolio and repossessed properties in Latvia.
- DNB Baltics and Poland continues to concentrate on consolidating operations, including a closer integration of the operations with DNB, following up high-risk commitments and improving cost efficiency.

Financial performance

Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	Full year	
						2011	2010
Net interest income - ordinary operations	266	315	321	319	314	1 268	1 425
Interest on allocated capital ¹⁾	11	15	15	12	9	51	27
Net interest income	277	329	335	331	323	1 319	1 452
Net other operating income	203	226	172	175	190	763	688
Total income	480	555	507	507	513	2 082	2 140
Operating expenses ²⁾	321	570	294	316	305	1 484	1 603
Pre-tax operating profit before write-downs	159	(15)	213	191	208	598	537
Net gains on fixed and intangible assets	2	(4)	5	4	3	9	(15)
Write-downs on loans and guarantees	64	217	700	173	190	1 280	1 386
Pre-tax operating profit	97	(236)	(481)	22	21	(673)	(864)
Net lending to customers (NOK billion) ³⁾	54.5	54.6	53.7	53.4	53.2	53.7	56.0
Deposits from customers (NOK billion) ³⁾	27.4	22.3	22.7	25.0	25.5	23.8	21.8
Allocated capital (NOK billion) ⁴⁾	4.1	3.8	3.6	3.4	3.3	3.5	3.7
Cost/income ratio (%) ⁵⁾	66.8	68.4	57.9	62.3	59.4	62.1	59.4
Ratio of deposits to lending (%)	50.4	40.9	42.2	46.8	47.9	44.4	38.9
Return on allocated capital, annualised (%) ⁴⁾	7.7	(19.9)	(42.6)	2.0	2.1	(15.3)	(18.9)

1) Interest on allocated capital is calculated according to internal DNB capital allocation rules. "Net interest income - ordinary operations" does not include interest on equity.

2) In the second quarter of 2010 operating expenses included impairment of intangible assets of NOK 332 million related to the development of a new IT infrastructure for joint solutions across national borders. In the fourth quarter of 2011 operating expenses included another impairment of NOK 191 million related to IT infrastructure.

3) Average balances. Lending to customers includes accrued interest, write-downs and value adjustments. Lending to credit institutions is not included. Correspondingly, deposits from customers include accrued interest. Deposits from credit institutions is not included.

4) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital requirement.

5) Total operating expenses excluding impairment losses for intangible assets relative to total income.

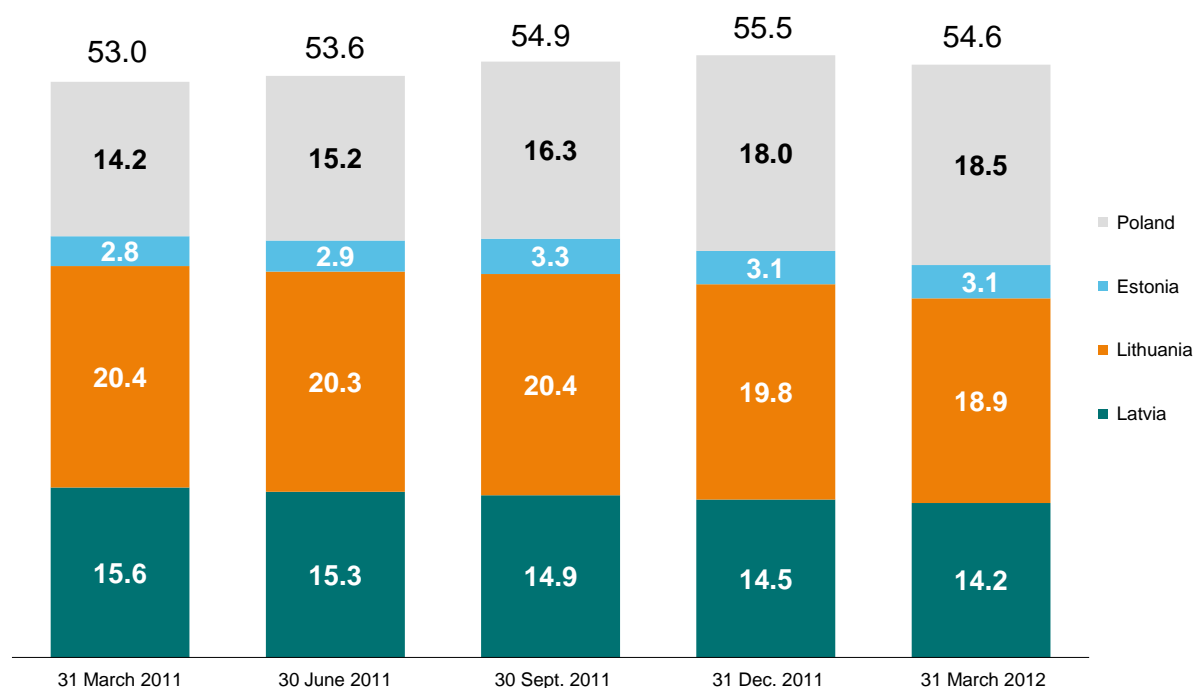
Net interest income ¹⁾

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income		
	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11
Lending to customers ¹⁾	49 190	48 664	46 125	2.09	1.82	1.72	256	224	196
Deposits from customers ¹⁾	27 352	22 274	25 463	0.44	1.07	0.66	30	60	41
Allocated capital	4 065	3 769	3 309	1.06	1.51	1.10	11	15	9
Other							(20)	31	77
Total net interest income							277	329	323

1) Based on nominal values excluding impaired loans.

Development in lending volumes

NOK billion



- Measured in NOK, lending volumes in the Baltics and Poland increased by 3.0 per cent from end-March 2011 to end-March 2012.
- Lending volumes continued to decrease in Latvia and Lithuania, while Poland showed an increase in lending from end-March 2011 with 32.4 per cent.

Lending and write-downs

<i>Amounts in NOK million</i>	Net lending 31 March 2012	<i>Of which net non-performing and net doubtful commitments</i>		Individual write-downs 1Q12	Collective write-downs 1Q12	Total write-downs 1Q12
		<i>NOK million</i>	<i>As a percentage of net lending</i>			
Latvia	14 223	1 983	13.9	67	(30)	37
Lithuania	18 853	2 533	13.4	37	(3)	35
Estonia	3 068	358	11.7	5	(9)	(4)
Poland	18 463	691	3.7	(2)	(2)	(4)
DNB Baltics and Poland	54 607	5 565	10.2	106	(42)	64

Write-down ratio – net non-performing and net doubtful commitments ^{1) 2)}

<i>Amounts in NOK million</i>	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Non-performing commitments	7 777	8 706	8 262	8 481	8 466
Doubtful commitments	2 498	1 600	3 848	4 539	4 800
Gross non-performing and gross doubtful commitments	10 275	10 306	12 110	13 020	13 266
Individual write-downs	4 711	4 410	5 263	4 999	5 026
Net non-performing and net doubtful commitments	5 565	5 896	6 847	8 020	8 240
Collective write-downs	433	482	537	327	333
Write-down ratio (per cent)	50.1	49.6	47.9	40.9	40.4
Non-performing and doubtful commitments relative to total commitments (per cent)	10.2	10.6	11.6	13.4	13.9
Collateral for non-performing and doubtful commitments	6 996	8 032	8 318	10 906	10 504
Coverage ratio (per cent)	118.1	125.4	116.6	124.7	119.6

1) Write-down ratio includes individual and collective write-downs as a percentage of gross non-performing and gross doubtful commitments.

2) Figures prior to 31 December 2011 also include the former DnB NORD's portfolios in Denmark and Finland.

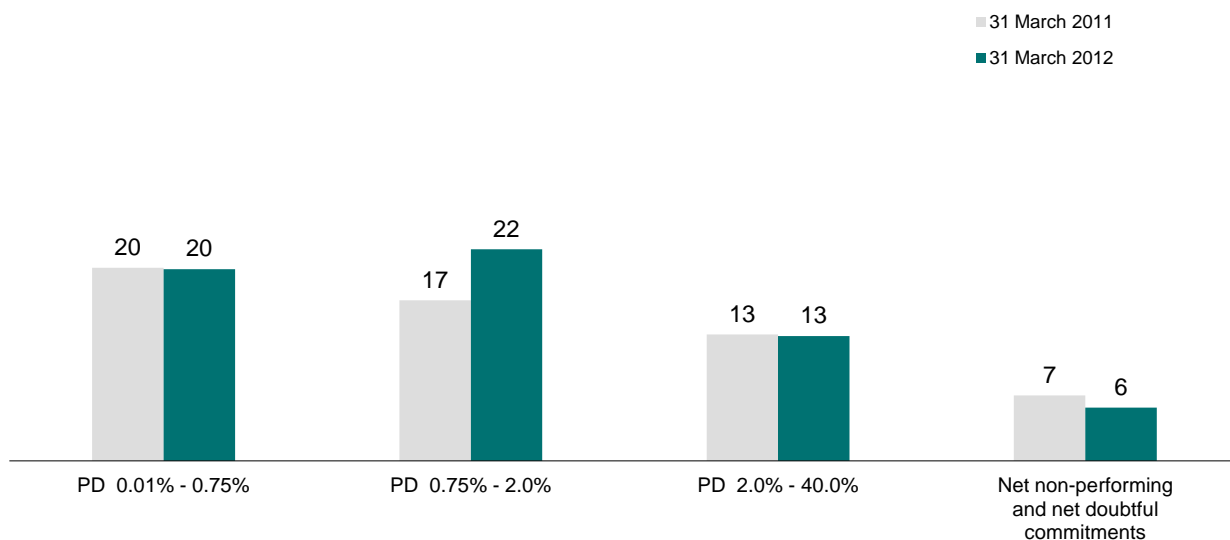
Write-down ratio – net non-performing and net doubtful commitments as at 31 March 2012 ¹⁾

<i>Amounts in NOK million</i>	Estonia	Latvia	Lithuania	Poland
Non-performing commitments	251	3 598	3 307	621
Doubtful commitments	275	750	917	556
Gross non-performing and gross doubtful commitments	526	4 349	4 224	1 176
Individual write-downs	168	2 366	1 692	485
Net non-performing and net doubtful commitments	358	1 983	2 533	691
Collective write-downs	20	288	68	56
Write-down ratio (per cent)	35.7	61.0	41.7	46.0
Non-performing and doubtful commitments relative to total commitments (per cent)	11.7	13.9	13.4	3.7
Collateral for non-performing and doubtful commitments	276	2 621	3 798	301
Coverage ratio (per cent)	88.1	121.3	131.6	71.6

1) Write-down ratio includes individual and collective write-downs as a percentage of gross non-performing and gross doubtful commitments.

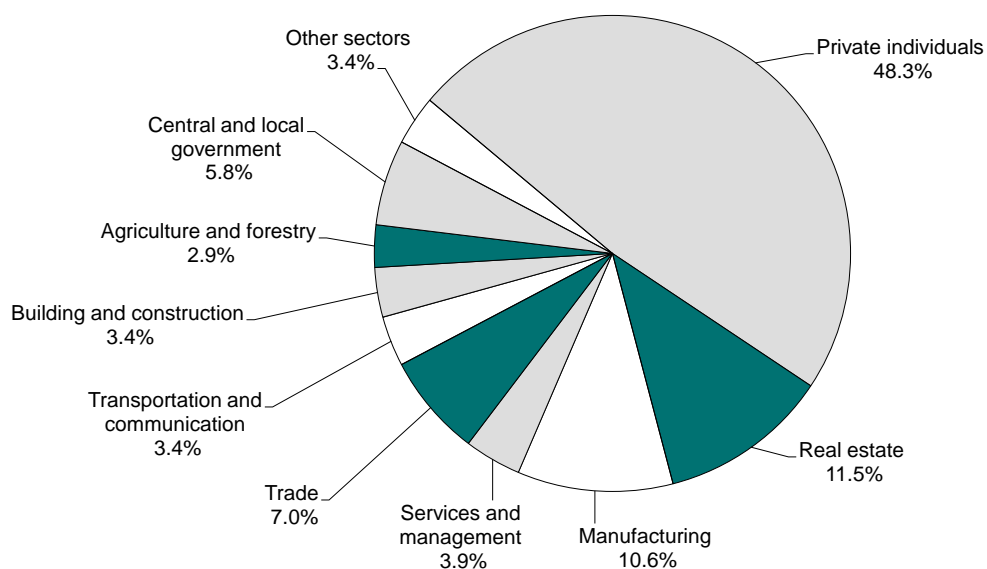
Risk classification of portfolio ¹⁾

NOK billion



1) Based on DNB's risk classification system. The volume represents the expected outstanding amount in the event of default, except for net non-performing and net doubtful commitments which are net recorded exposure in the accounts.
PD = probability of default

Net lending to principal customer groups as at 31 March 2012 ^{1) 2)}



1) Lending after individual write-downs, nominal amounts.

2) The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.

Section 4

The Norwegian economy

Basic information about Norway

Area	385 199 square kilometres
Population	5.0 million
Fertility rate	1.9
Life expectancy	M: 78.9 F: 83.2
Work participation rate, per cent 15–74 years	71.4 (M: 74.1 F: 68.7)
Gross domestic product 2010	USD 484.0 billion
GDP per capita 2010	USD 97 000
Rating	AAA, Aaa
Currency exchange rate used	5.60 USD/NOK (Average 2011)
Current balance 2010	USD 69.1 billion or 14.3 per cent of GDP

Source: Statistics Norway

Key macro-economic indicators, Norway

Per cent	2009	2010	F 2011	F 2012	F 2013	F 2014	F 2015
GDP growth							
- Norway, total	(1.6)	1.9	2.6	2.7	2.7	2.8	2.9
- Mainland Norway	(1.7)	0.7	1.6	2.2	2.1	2.3	2.4
Private consumption	0.0	3.7	2.2	3.0	3.0	3.2	3.1
Gross fixed investment	(7.5)	(5.2)	6.9	6.5	5.3	4.8	4.9
Inflation (CPI)	2.2	2.4	0.8	1.1	1.8	2.0	2.3
Savings ratio ¹⁾	6.8	6.3	8.2	9.9	9.4	8.5	7.6
Unemployment rate	3.2	3.6	3.3	3.4	3.6	3.6	3.6

1) Per cent of disposable income. Households.

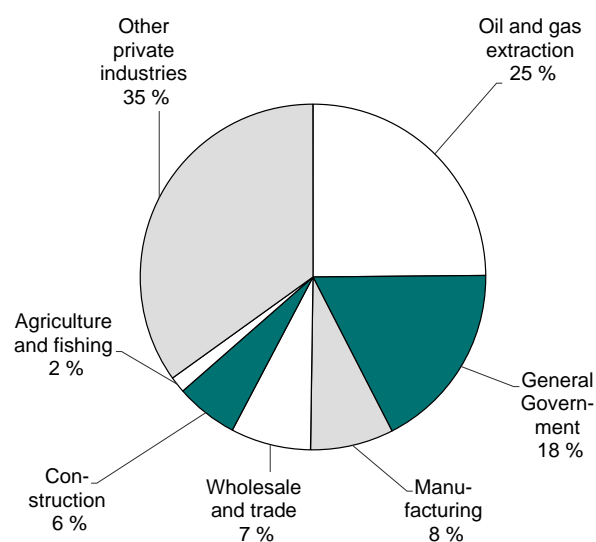
Source: Statistics Norway and DNB Markets

Contribution to volume growth in GDP, mainland Norway

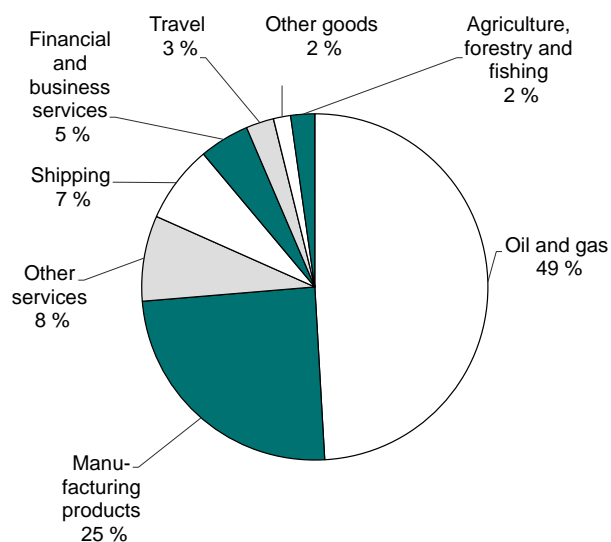
Per cent	2010	2011	F 2012	F 2013	F 2014	F 2015
Household demand	1.9	2.3	2.0	2.2	2.4	2.4
Gross fixed capital formation, mainland companies	(0.0)	0.3	0.1	0.1	0.1	0.1
Gross fixed capital formation, petroleum activity	(0.8)	0.1	1.2	0.6	0.3	0.4
Public sector demand	0.2	0.5	0.7	0.8	0.8	0.7
Exports, mainland Norway	1.6	(0.0)	0.4	0.9	0.9	0.9
Imports, mainland Norway	(3.3)	(0.7)	(1.6)	(1.9)	(1.8)	(1.8)
Changes in stocks and statistical discrepancies	2.4	0.1	(0.2)			
GDP, mainland Norway	1.9	2.6	2.7	2.7	2.8	2.9

Source: DNB Markets

Composition of GDP in 2011

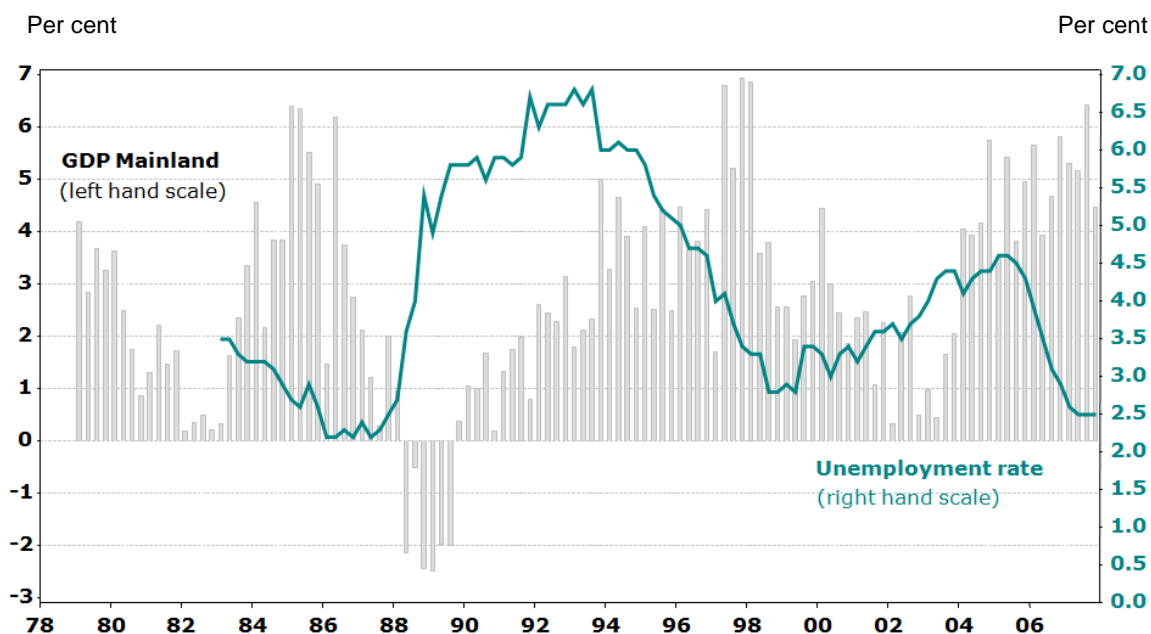


Composition of export in 2011



Source: Statistics Norway

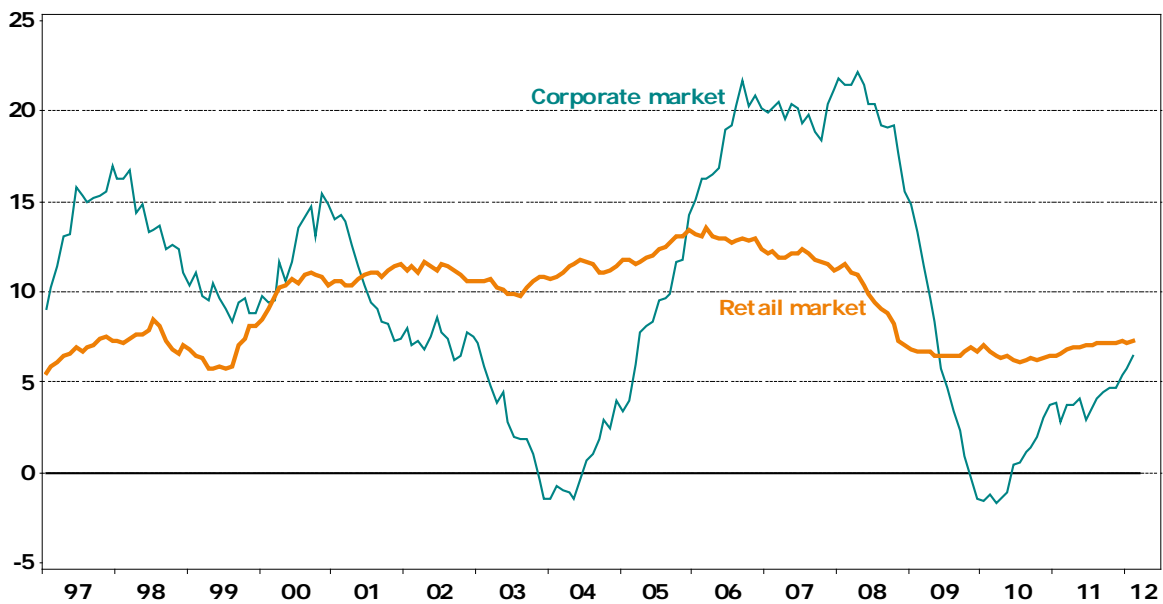
GDP-growth mainland Norway and unemployment rate



Source: Statistics Norway

Credit market, 12 month percentage growth

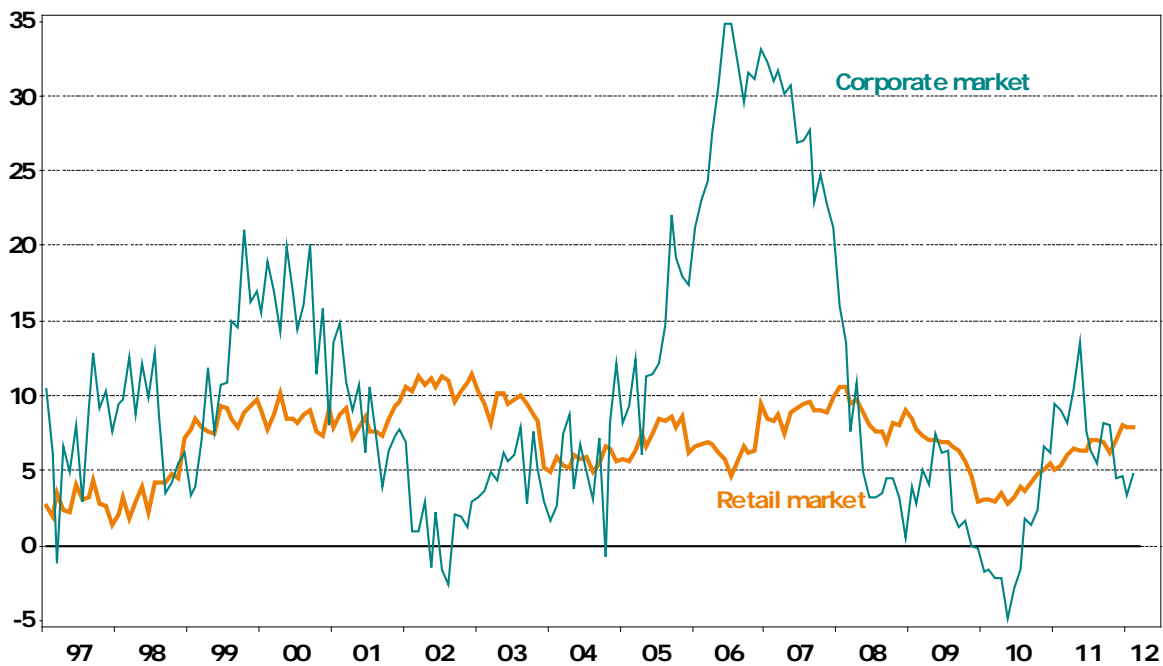
Per cent



Source: Statistics Norway

Deposit market, 12 month percentage growth

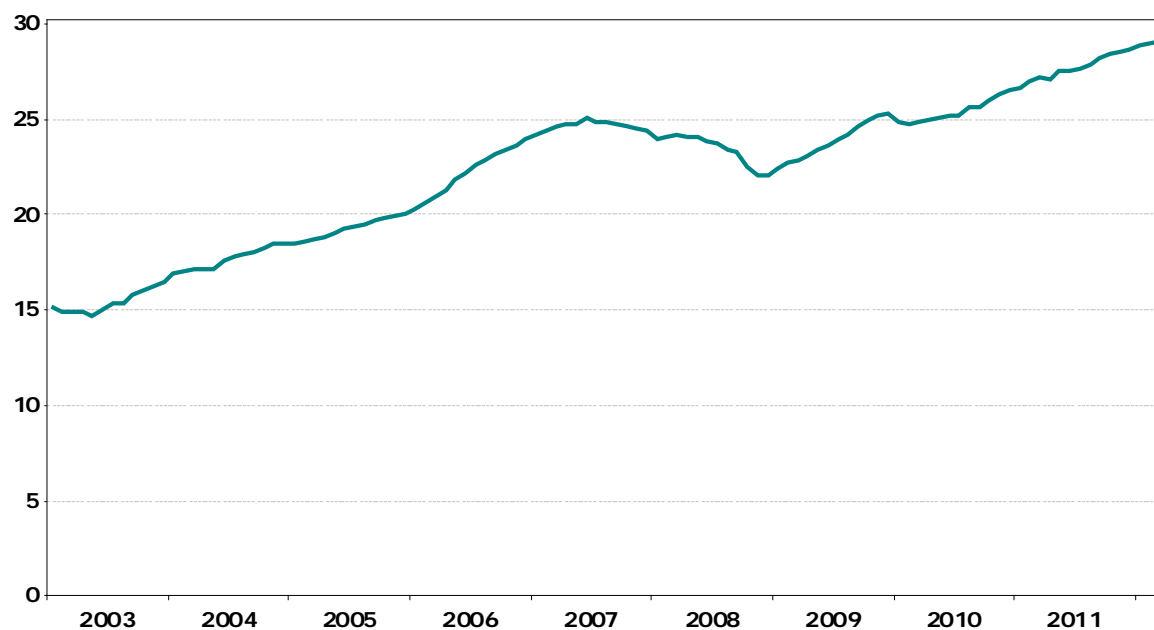
Per cent



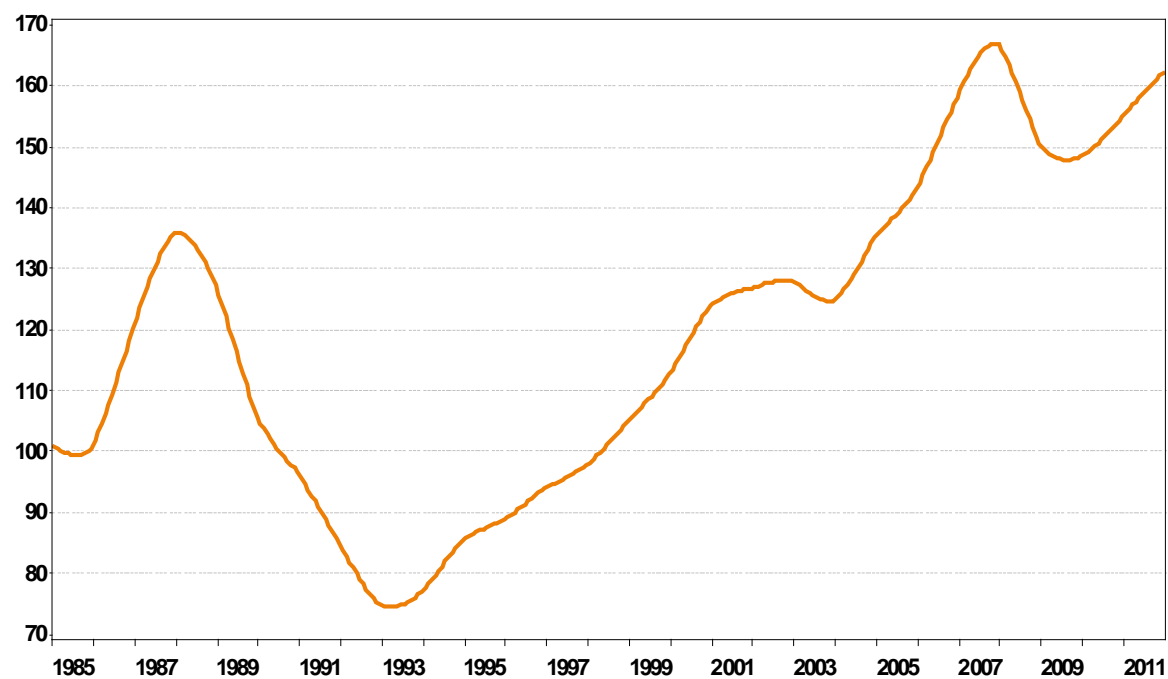
Source: Statistics Norway

House prices, per square meter Seasonally adjusted

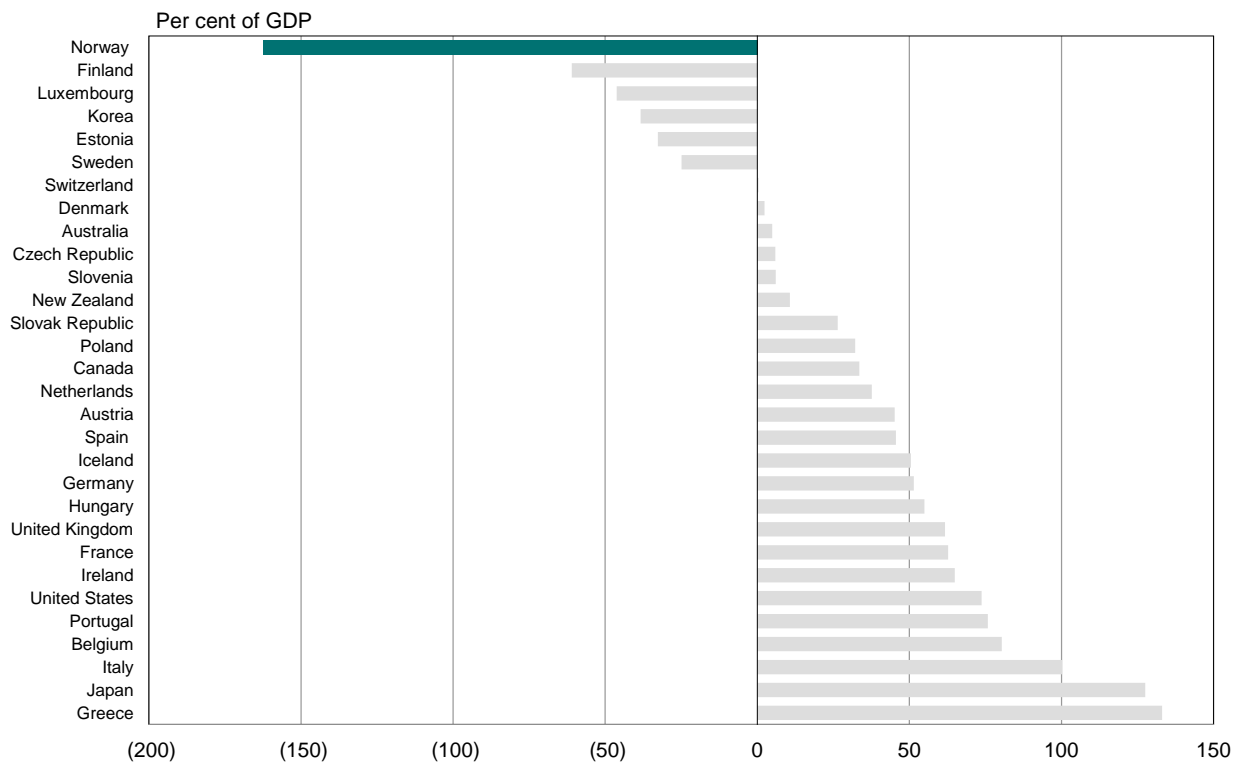
NOK 1 000

*Source: Association of Norwegian real estate agents, Finn.no and Econ Poyry***House prices, deflated by wage income**

Indices: 1985=100

*Source: Statistics Norway*

Government net financial liabilities 2011



Source: OECD Economic Outlook No. 90, November 2011

Key macro-economic indicators, Poland and the Baltic states

Percentage change from previous year	2010	2011	F 2012	F 2013
Poland				
GDP	3.9	4.3	2.8	3.1
Private consumption	3.2	3.1	2.4	3.0
Gross fixed investments	(0.2)	8.5	5.2	4.9
Inflation (CPI)	2.6	4.3	3.6	2.7
Estonia				
GDP	2.3	7.6	2.1	3.5
Private consumption	(1.8)	4.4	3.3	3.5
Gross fixed investments	(9.0)	26.8	6.8	6.5
Inflation (CPI)	3.0	5.0	3.2	3.0
Latvia				
GDP	(0.3)	5.5	1.9	3.1
Private consumption	0.4	4.4	2.8	3.3
Gross fixed investments	(12.2)	24.6	6.5	6.5
Inflation (CPI)	(1.1)	4.4	2.5	2.5
Lithuania				
GDP	1.4	5.9	2.4	3.2
Private consumption	(4.9)	6.1	3.6	3.8
Gross fixed investments	1.0	17.1	5.7	6.8
Inflation (CPI)	1.2	4.1	2.7	2.7

Source: Consensus Economics Inc

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