



DNB

1

RESULTS DNB GROUP

First quarter 2012

Rune Bjerke (CEO)

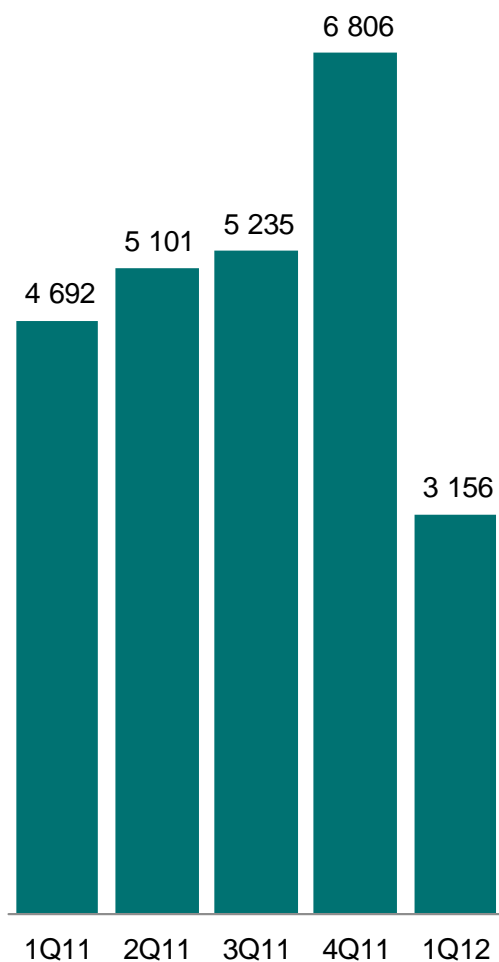
Bjørn Erik Næss (CFO)

First quarter 2012

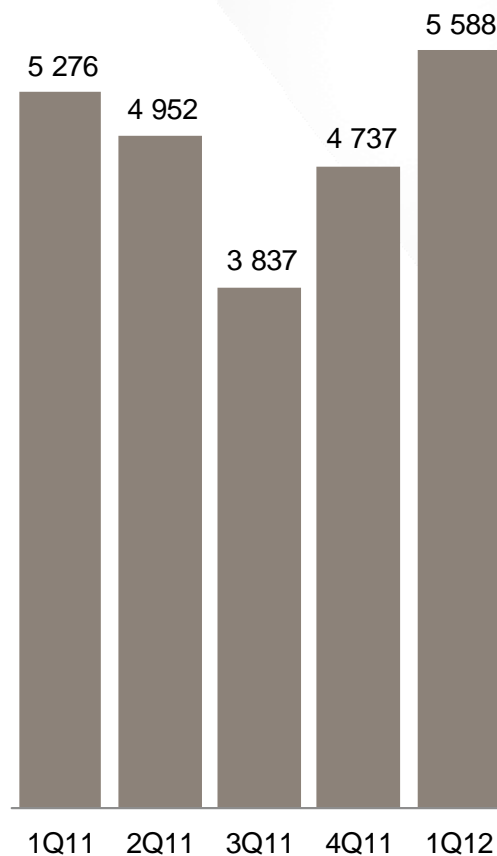
- **Positive volume and spread development during the past 12 months**
- **Negative mark-to-market adjustment of basis swaps**
- **Improved results in the Baltics**
- **Strengthened deposit-to-loan ratio and good access to funding**
- **Lower write-downs on loans**

Profit per quarter

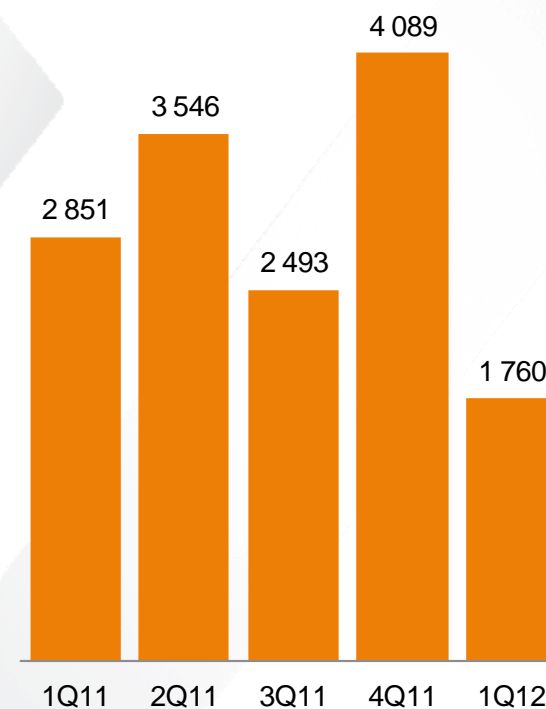
**Pre-tax operating profit
before write-downs**
(NOK million)



**Pre-tax operating profit before
write-downs excl. basis swaps**
(NOK million)



Profit for the period
(NOK million)

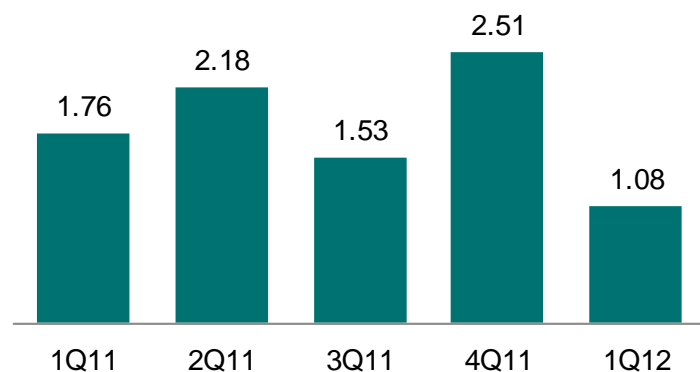


Special items

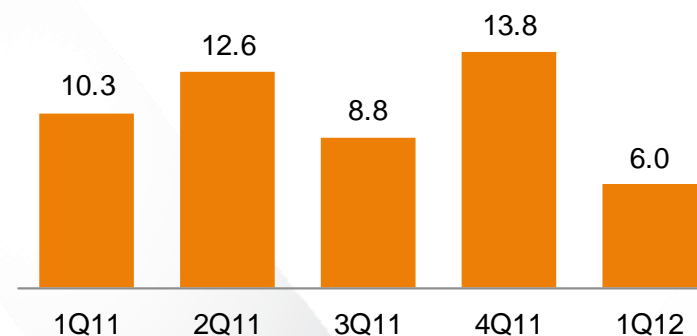
Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	Full year 2011
Mark-to-market adjustment - basis swaps	(2 432)	2 069	1 398	149	(584)	3 031
Net mark-to-market adjustment - other items	176	272	1	(105)	78	246
Impairment losses for goodwill and intangible assets	0	380	0	0	0	380
Effect on pre-tax operating profit before write-downs	(2 256)	1 961	1 398	44	(506)	2 897

Key figures, quarterly

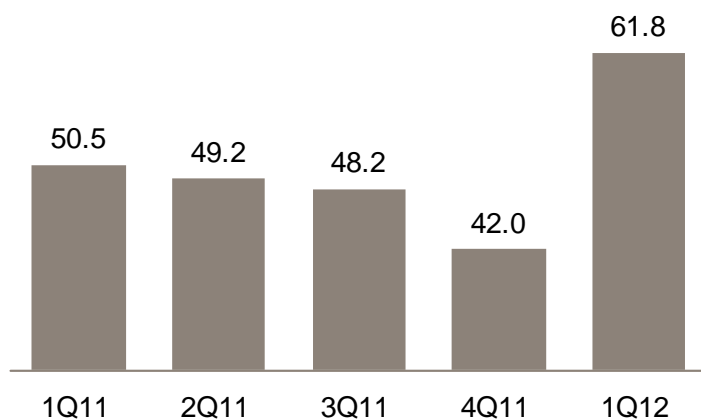
Earnings per share
(NOK)



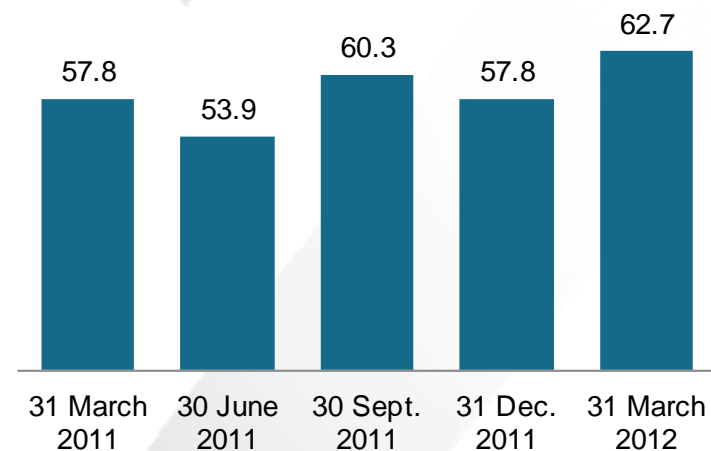
Return on equity
(Per cent)



Cost/income ratio
(Per cent)



Ratio of deposits to lending
(Per cent)



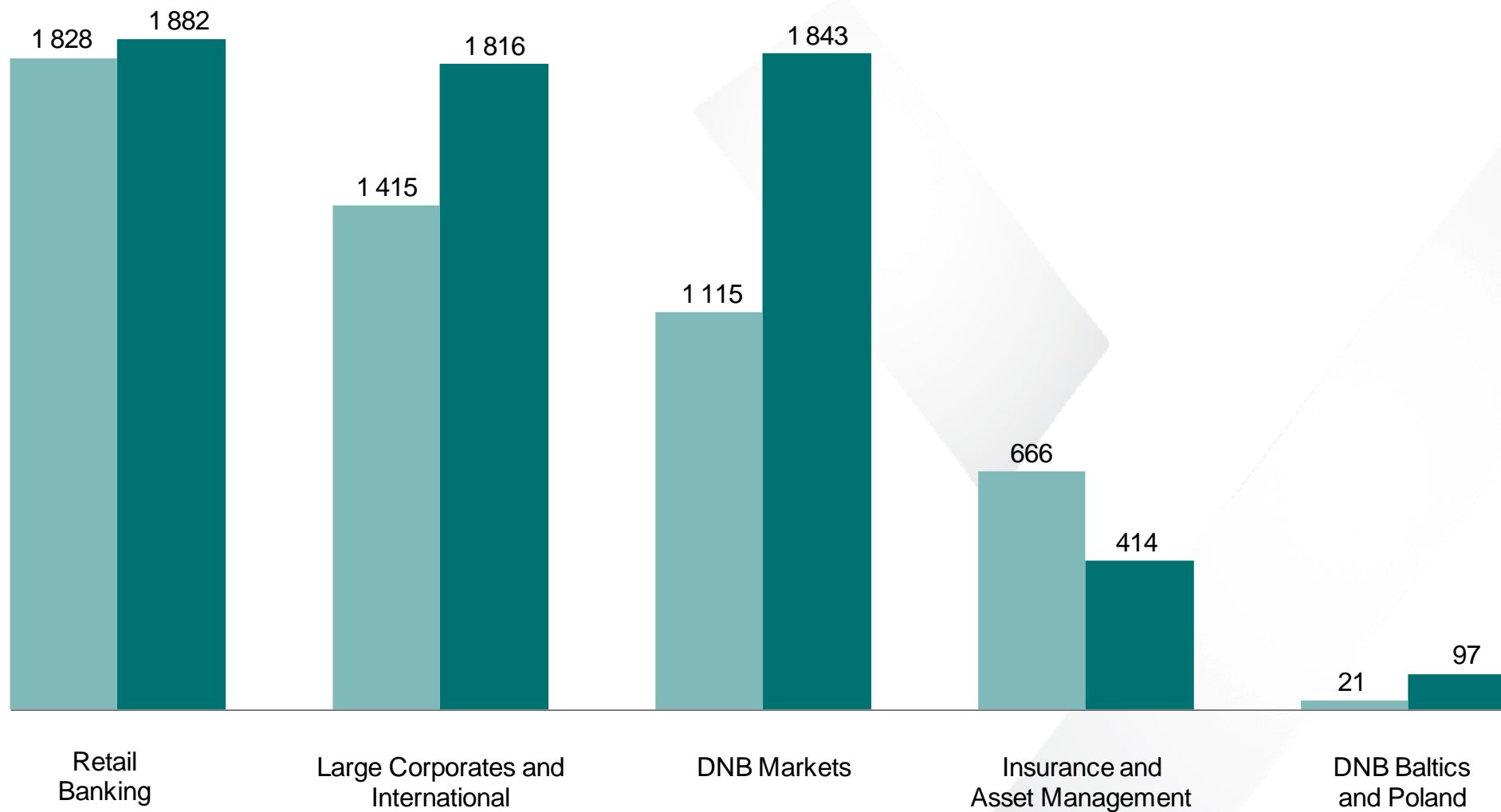
Business areas

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

(NOK million)

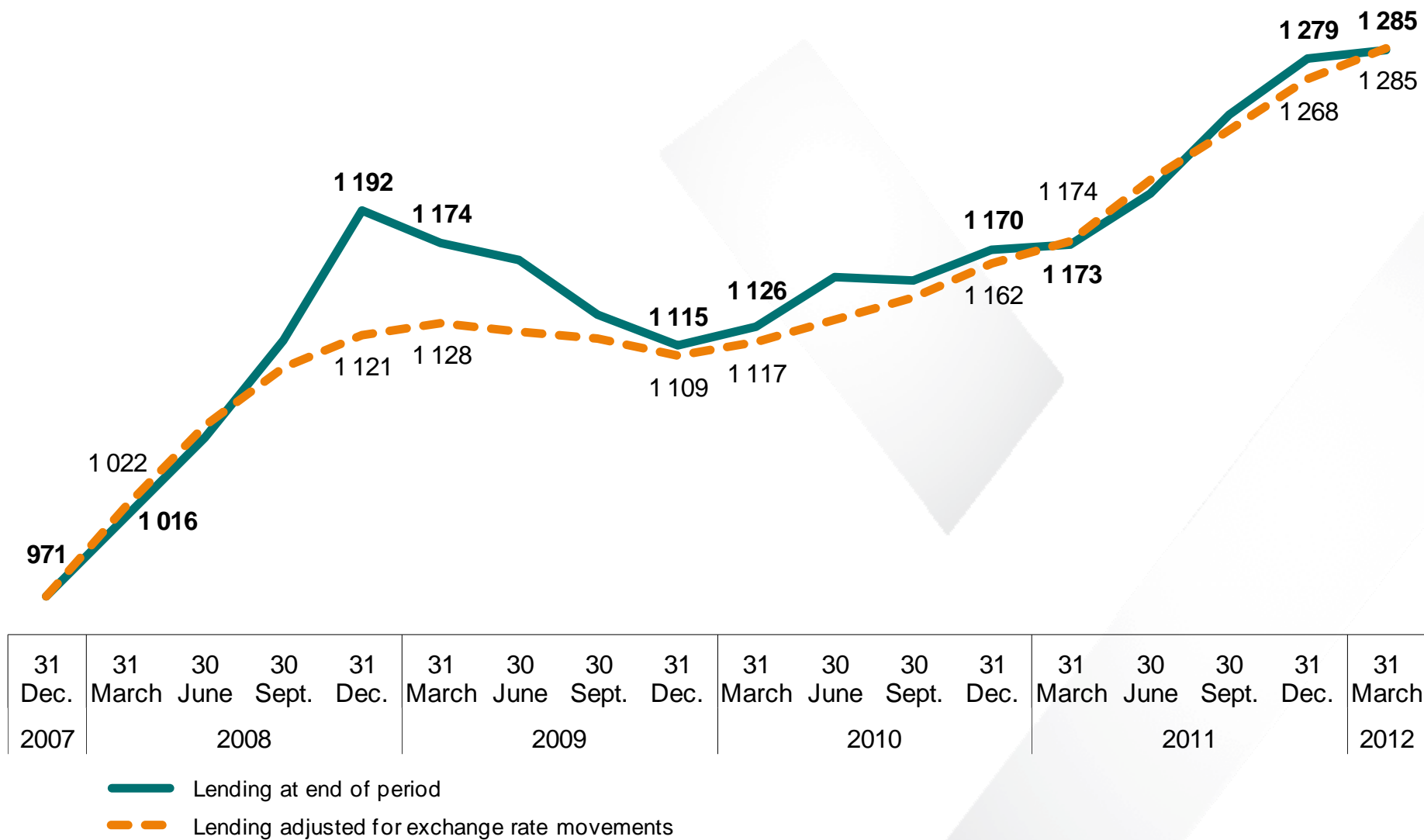
■ First quarter 2012

■ First quarter 2011



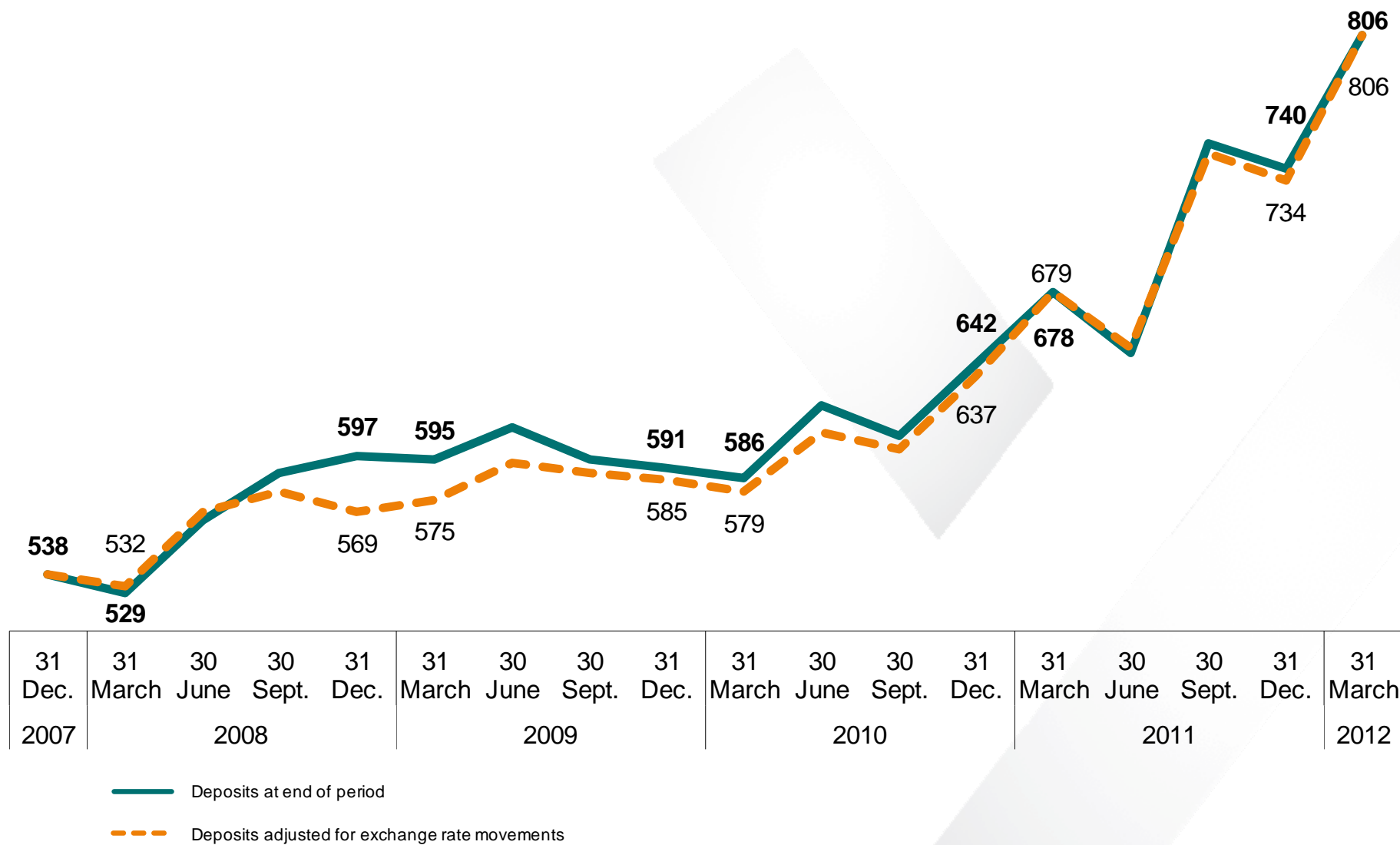
Development in lending

NOK billion



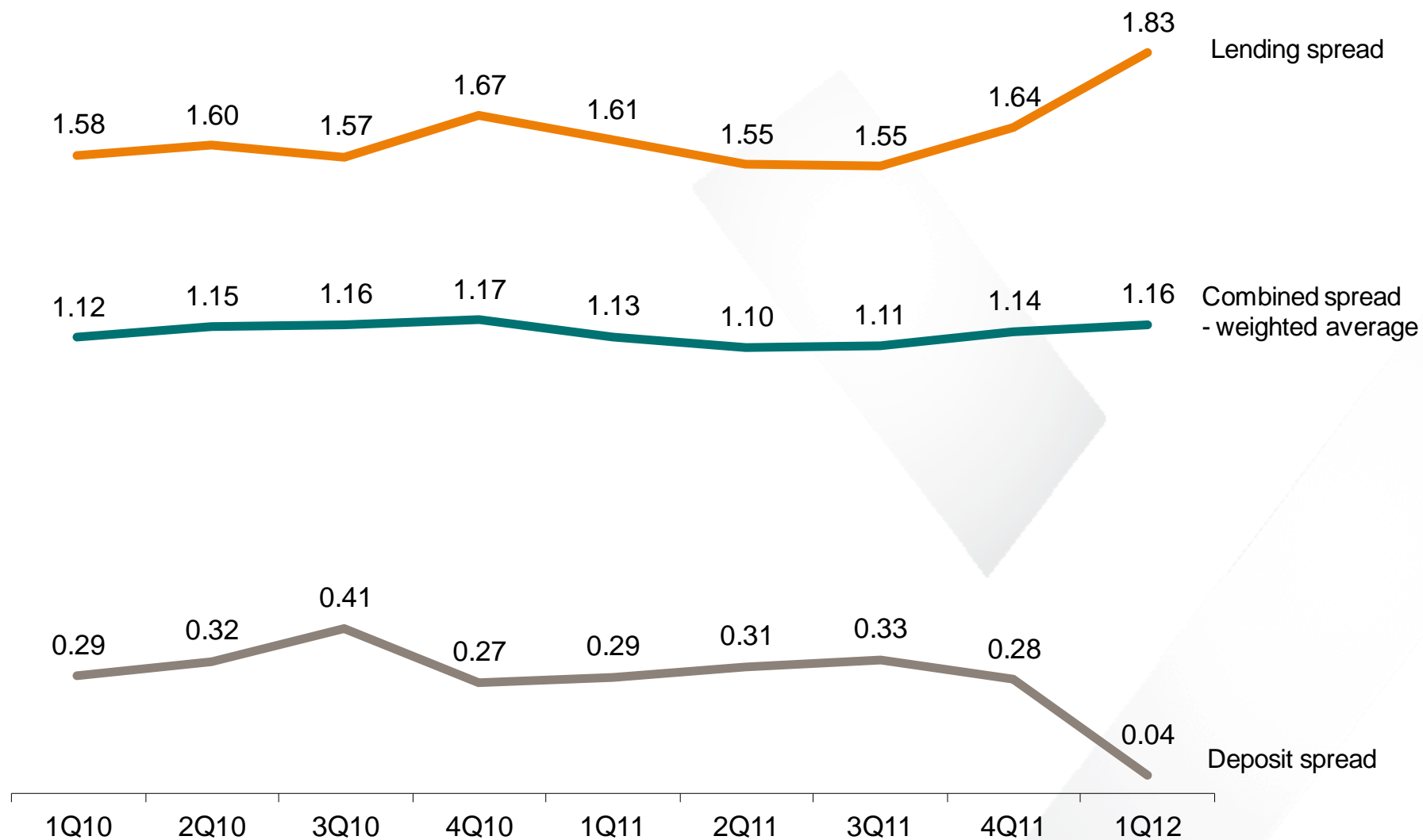
Development in deposits

NOK billion



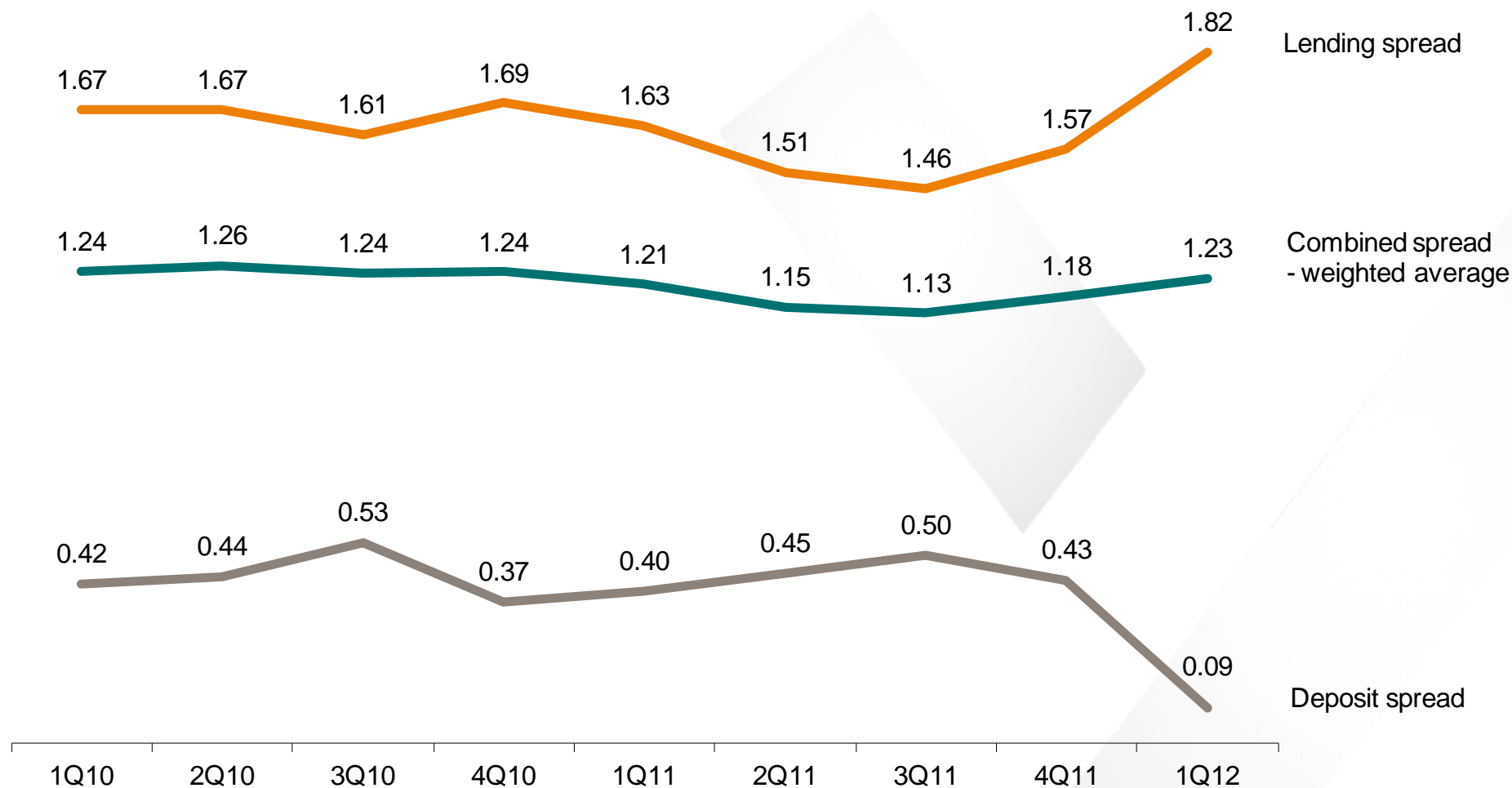
Development in average interest rate spreads - DNB Group

Per cent



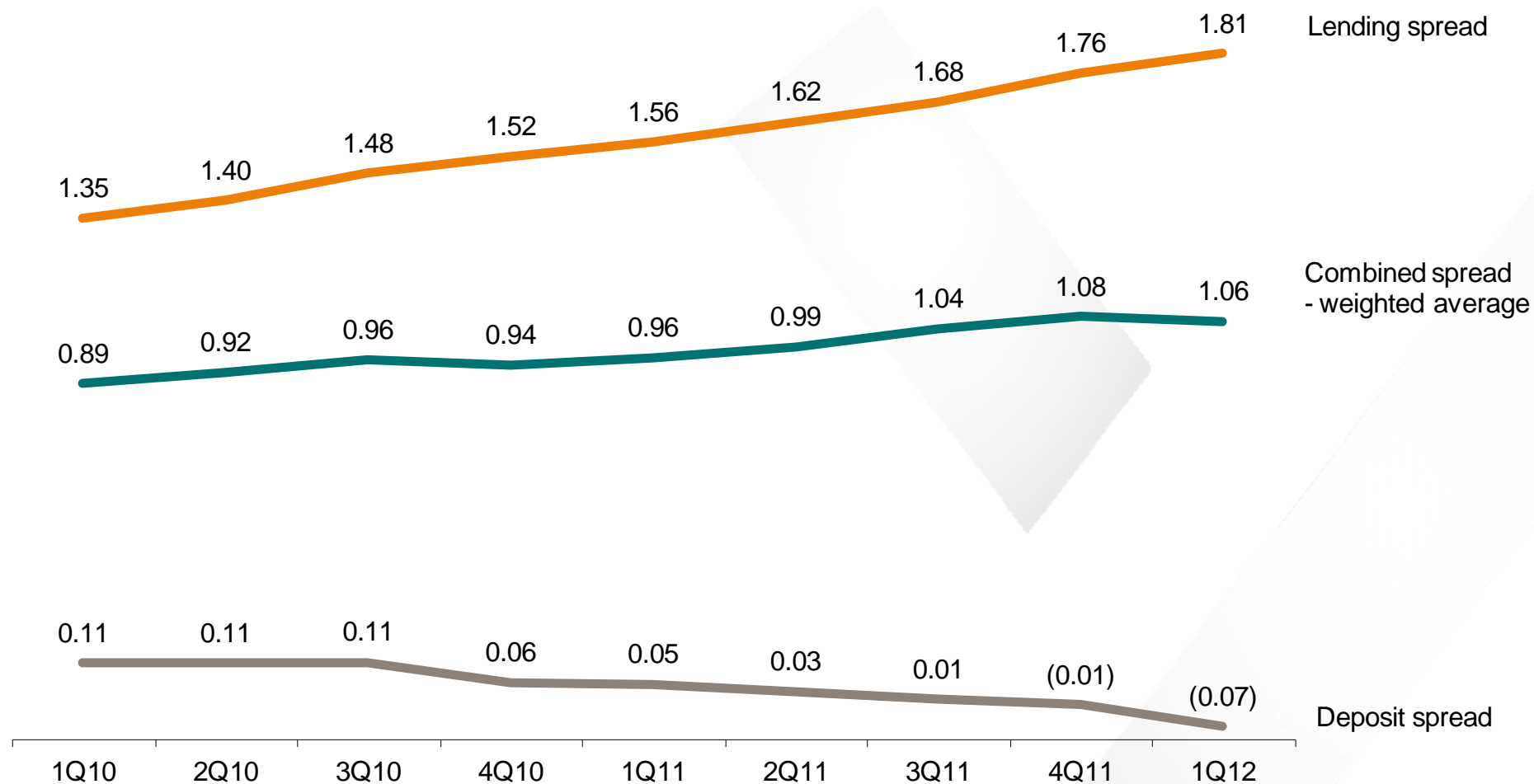
Development in average interest rate spreads - Retail Banking

Per cent



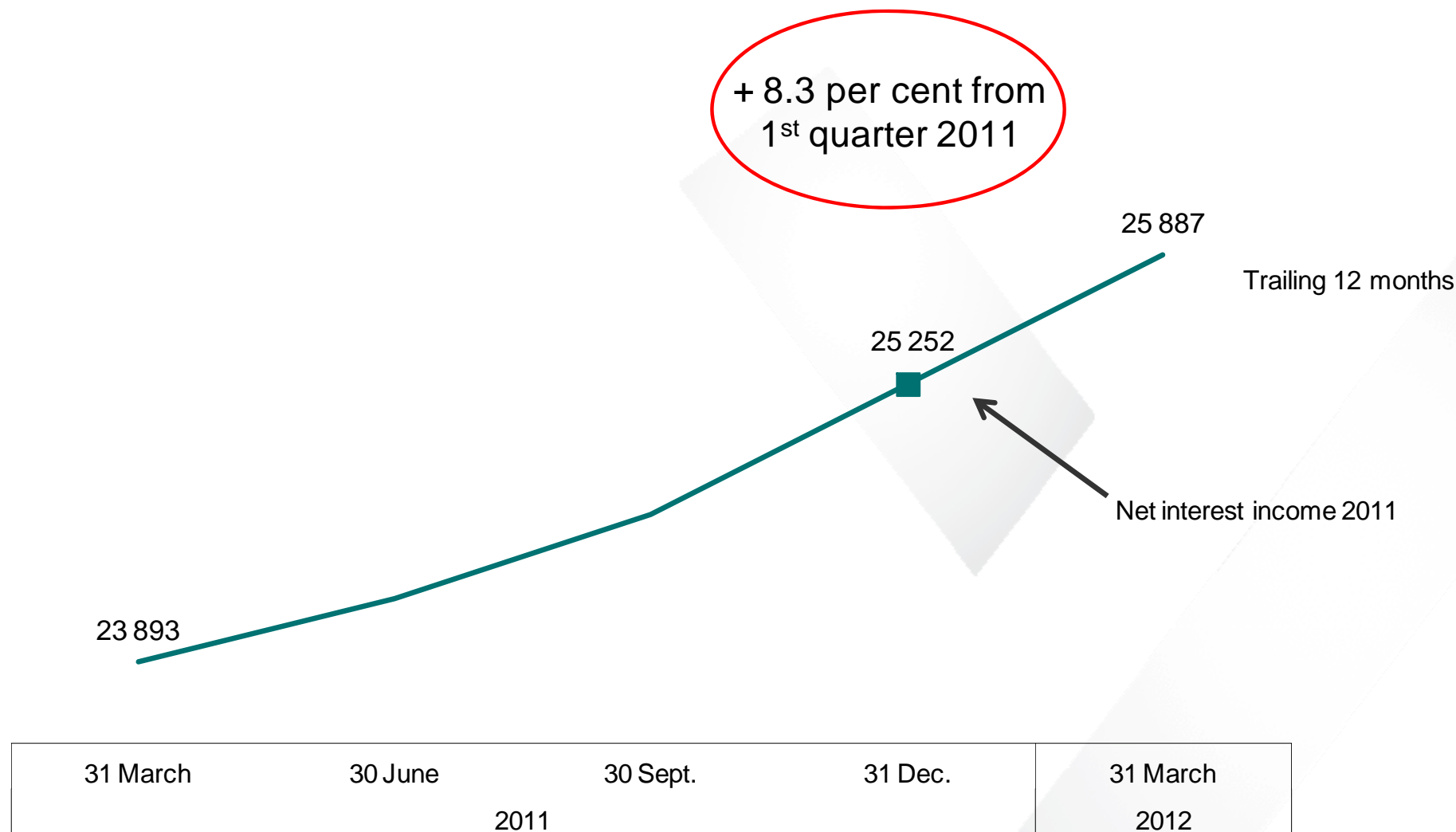
Development in average interest rate spreads - Large Corporates and International

Per cent



Net interest income - trailing 12 months

NOK million



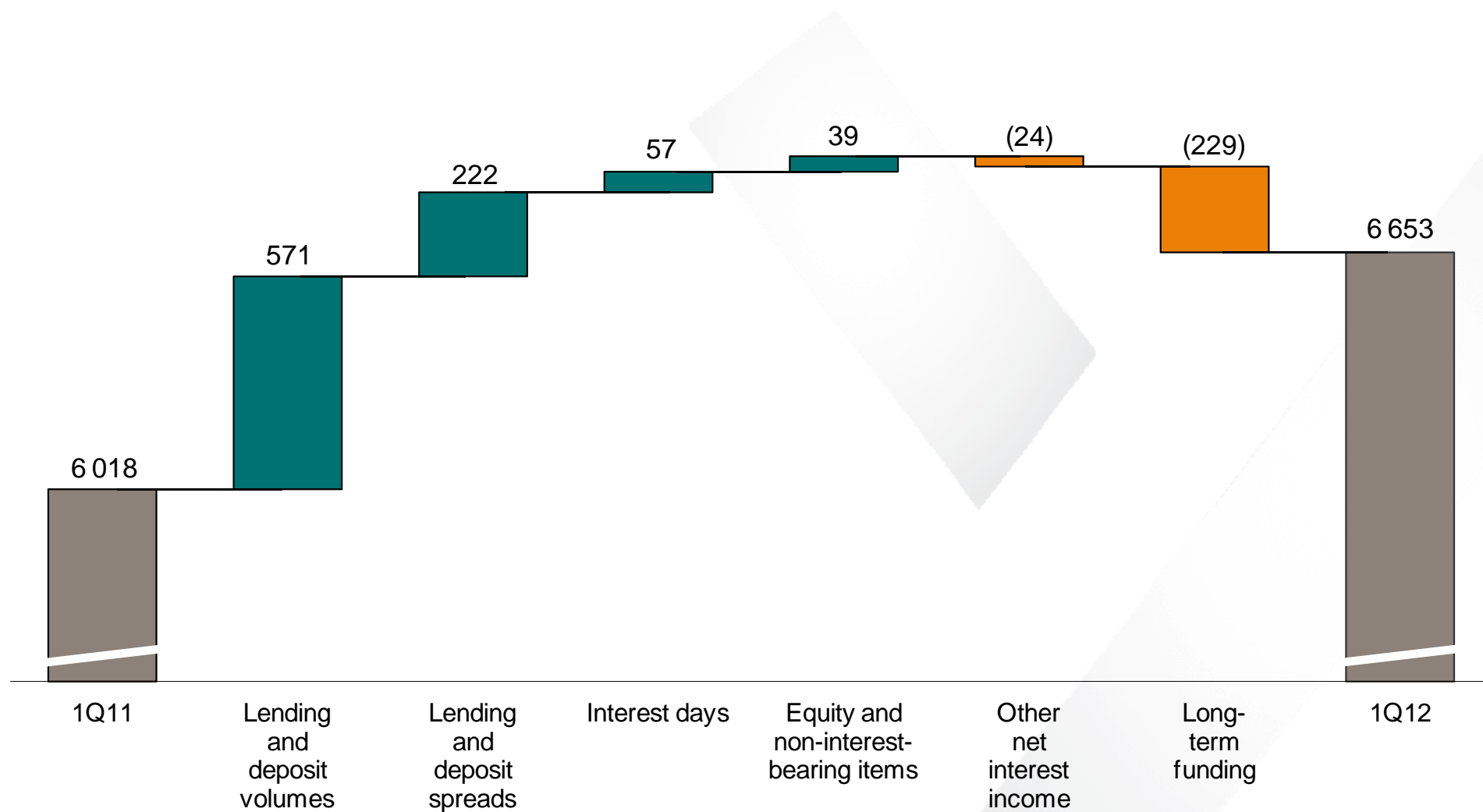
Income statement

Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	Full year 2011	Full year 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</i>	1 750	1 632	1 933	2 007	1 864	7 436	7 293
<i>Net financial items</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 income	8 261	12 392	10 097	10 032	9 485	42 006	39 592
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	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 after minority interests	1 760	4 089	2 493	3 546	2 851	12 979	14 814

Changes in net interest income

NOK million

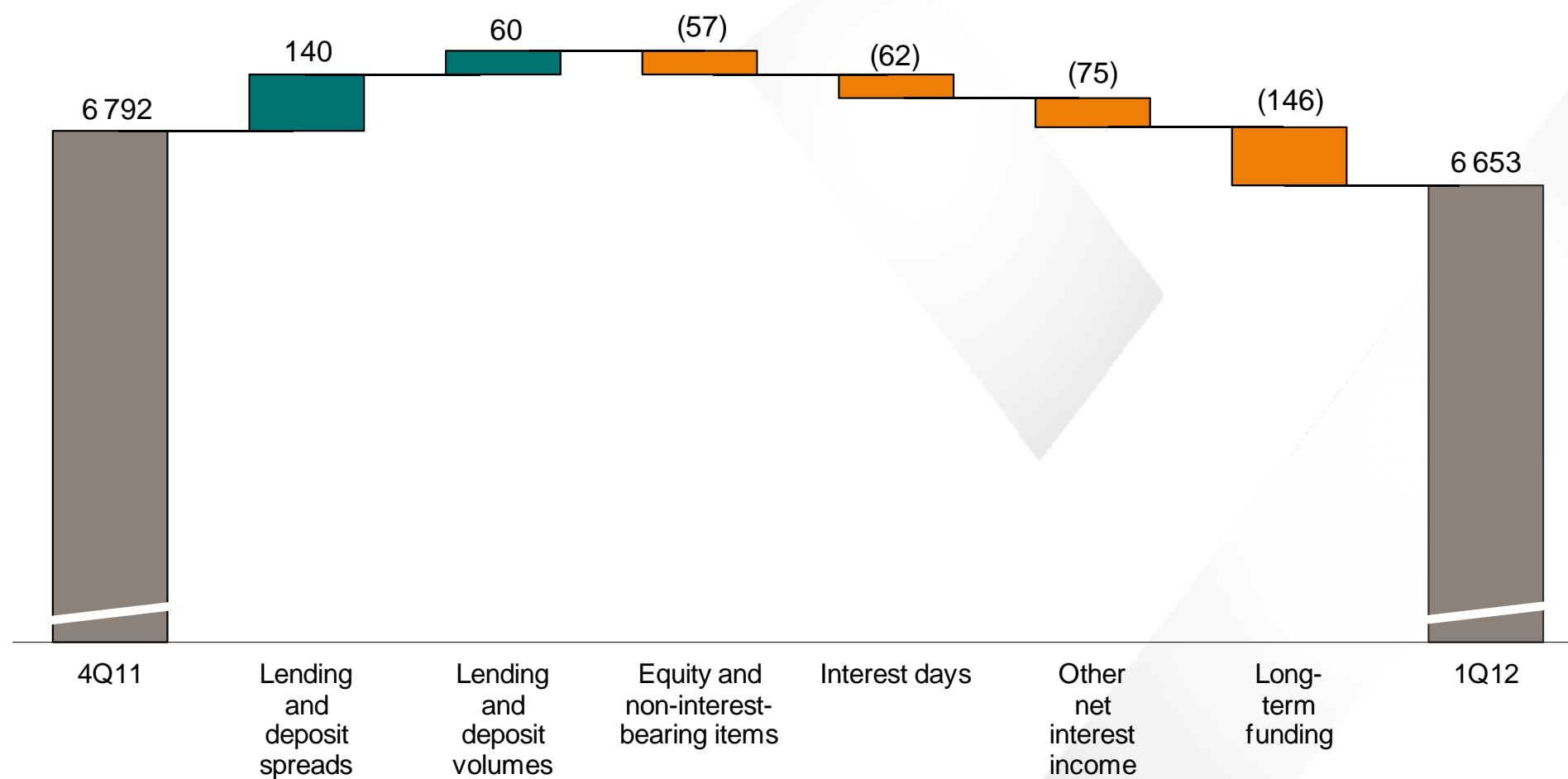
From 1st quarter 2011 to 1st quarter 2012



Changes in net interest income

NOK million

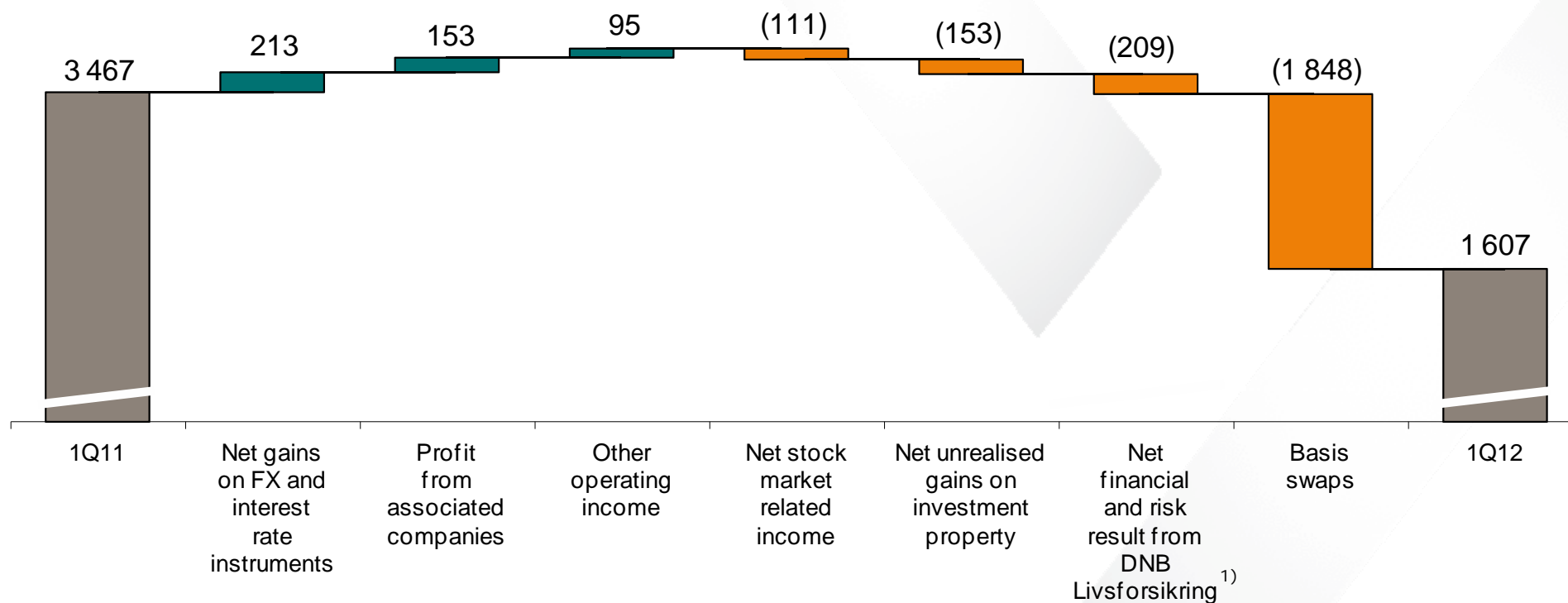
From 4th quarter 2011 to 1st quarter 2012



Changes in net other operating income

NOK million

From 1st quarter 2011 to 1st quarter 2012

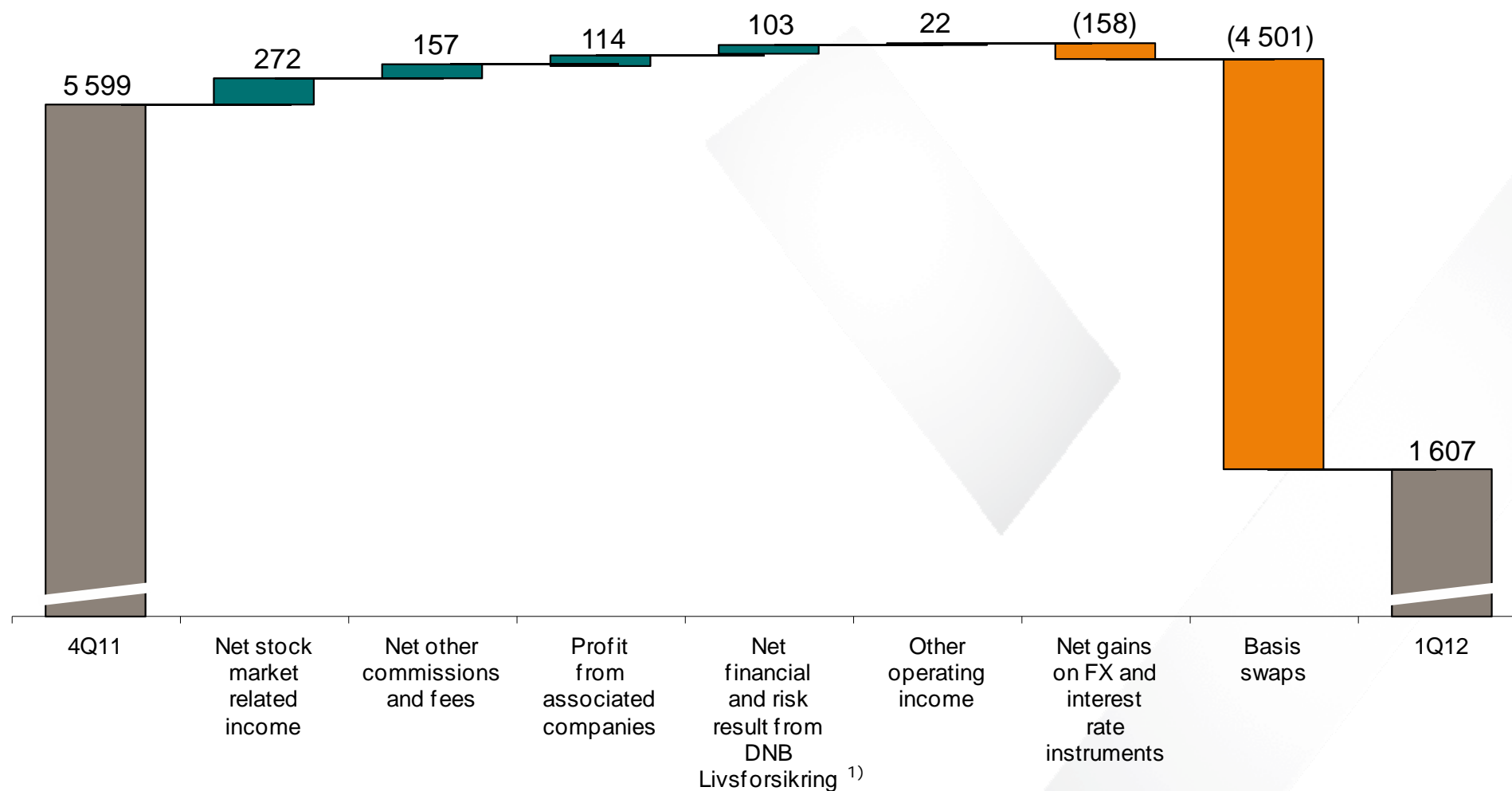


1) After guaranteed returns and allocations to policyholders

Changes in net other operating income

NOK million

From 4th quarter 2011 to 1st quarter 2012



1) After guaranteed returns and allocations to policyholders

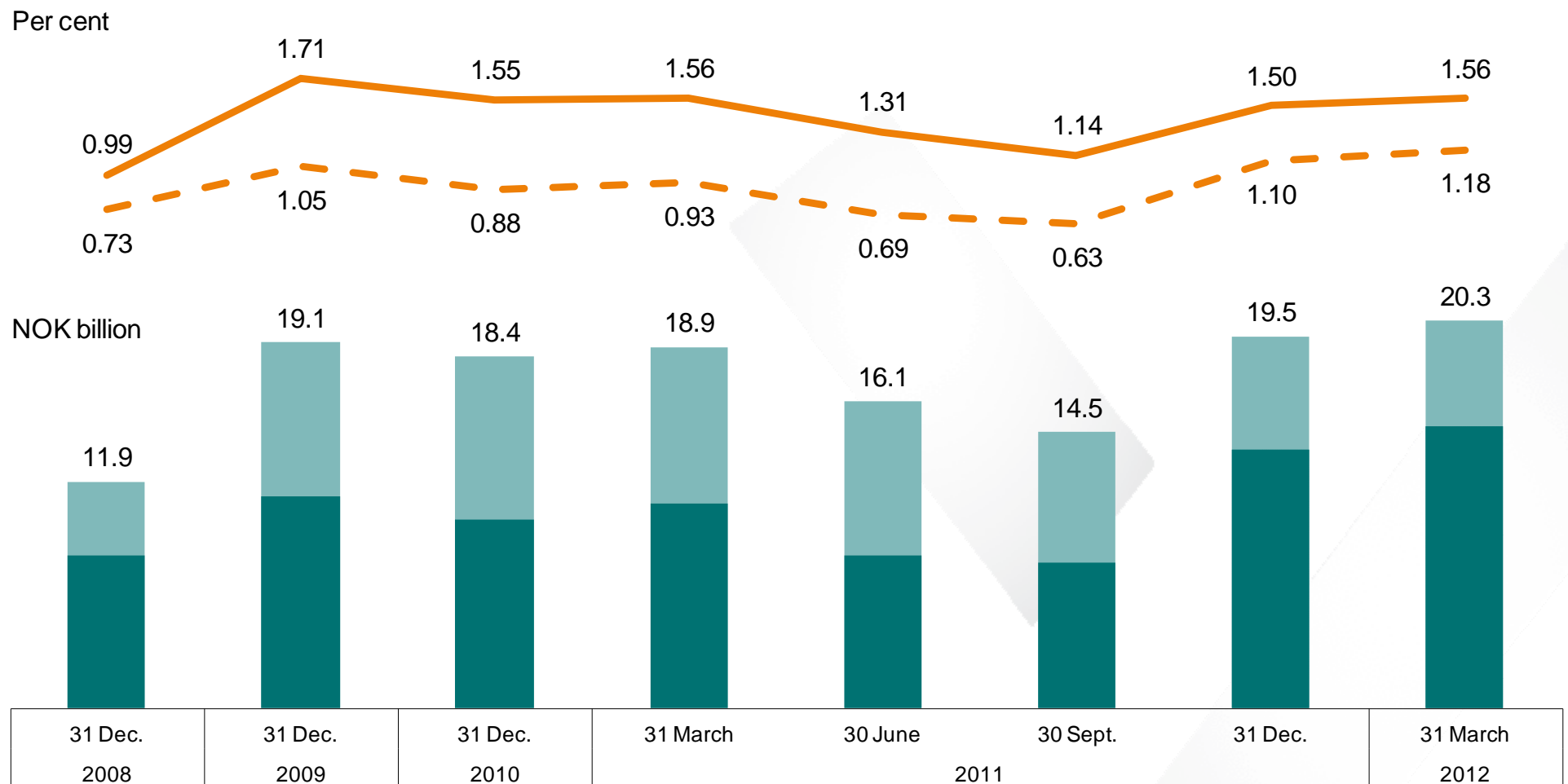
Changes in operating expenses

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

Changes in operating expenses

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

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-downs on loans and guarantees

Amounts in NOK million	1Q12	4Q11	3Q11	2Q11	1Q11	Full year 2011	Full year 2010
<i>Individual write-downs:</i>							
Retail Banking							
- Private customer divisions	59	78	38	58	13	186	286
- SME divisions	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
Former DnB NORD							
- 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 in per cent of lending

Per cent	1Q12	4Q11	3Q11	2Q11	1Q11	Full year 2011	Full year 2010
Total write-downs in relation to average volumes (annual basis)	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

Balance sheets

	DNB Group		DNB Bank ASA	
	31 March	31 Dec.	31 March	31 Dec.
Amounts in NOK billion	2012	2011	2012	2011
Deposits with central banks	433	225	430	221
Lending to and deposits with credit institutions	35	29	198	193
Net lending to customers	1 285	1 279	702	712
Other assets	618	594	485	489
Total assets	2 371	2 126	1 815	1 615
Loans and deposits from credit institutions	353	280	364	296
Deposits from customers	806	740	767	704
Short-term debt securities issued	272	228	272	228
Long-term debt securities issued	445	407	166	156
Other liabilities and provisions	374	354	145	133
Equity	120	118	101	98
Total liabilities and equity	2 371	2 126	1 815	1 615
Ratio of deposits to net lending (%)	62.7	57.8	109.4	98.9
Adjusted ratio of deposits to net lending (%) ¹⁾	61.5	57.3	107.0	97.9
Total combined assets	2 636	2 395	1 815	1 615
Currency-adjusted customer lending	1 297		714	
Currency-adjusted customer deposits	813		774	

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

Stable access to long-term funding

2012

	NOK billion	Maturity	Spread 3-month Euribor	Spread 3-month Nibor
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
Subordinated loan	5.7			
Total	82.0			
In addition: LTRO funding	9.0	3.0		

2011

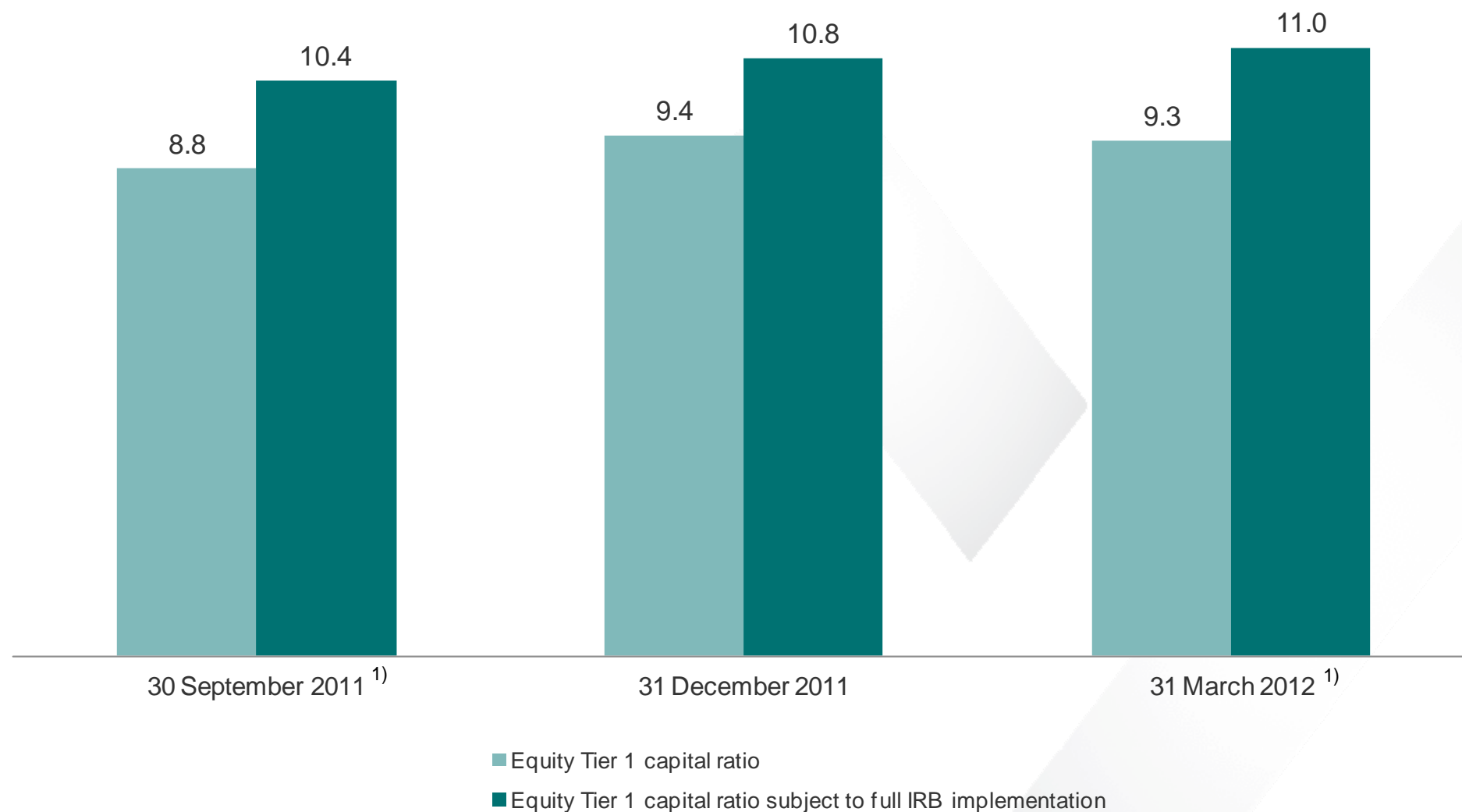
	NOK billion	Maturity	Spread 3-month Euribor	Spread 3-month Nibor
Covered bonds	98.3	6.5	53	68
Senior bonds	27.8	8.8	108	123
Total	126.1	7.0	65 bp	80 bp
In addition: LTRO funding	15.7	3.0		

2010

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

Equity Tier 1 capital ratio

Per cent



1) Including 50 per cent of profit year to date

Macroeconomic outlook

- **A positive trend in the Norwegian economy**
- **Somewhat better in the US than previously expected**
- **Certain effect of ECB's stimulation measures, though European outlook remains highly uncertain**

DNB's outlook

DNB's financial ambitions remain firm, but will be more challenging to reach due to lower interest rate expectations and the negative effect of basis swaps

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

The logo for DNB, consisting of the letters 'DNB' in a white, sans-serif font. A vertical white line is positioned between the 'D' and 'NB', extending from the top of the 'D' down to the bottom of the 'NB'.

dnb.no
