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Improvement in all business areas and lower write-downs

DNB recorded profits of NOK 3 507 million in the third quarter of 2012, up from NOK 2 493 million in the third quarter of 2011. There was a rise in profits in all of the bank's business areas, and write-downs were reduced by more than 55 per cent.

"We are very pleased with the Group's third quarter performance. All business areas delivered healthy profits. There was also an increase of more than 80 per cent in other operating income, adjusted for basis swaps, which is largely attributable to the positive financial market trend," says Rune Bjerke, group chief executive.

DNB is experiencing continued strong growth in both home mortgages and lending to small and medium-sized businesses, while there is lower growth in lending to large corporates and international customers. Average lending volumes rose by 6.9 per cent from the third quarter of 2011. There was a 1 per cent increase from the second to the third quarter of 2012.

Deposits increased by 19.5 per cent from the third quarter of 2011, while there was a 5 per cent rise in deposits from the second to the third quarter of 2012.

Lending spreads widened slightly, while deposit spreads narrowed somewhat from the preceding quarter. Overall, spreads remained stable.

Lower write-downs

Write-downs on loans and guarantees totalled NOK 521 million, down 55.5 per cent from the third quarter of 2011. Total write-downs in the Baltics and Poland were also reduced from 5.2 per cent of lending in the third quarter of 2011 to 0.43 per cent.

"The strong Norwegian economy is a factor behind the low level of write-downs. There was a decline in write-downs in most segments, with the exception of shipping. As expected, write-downs are increasing in this segment due to the challenging market situation," says Bjerke.

Increase in Tier 1 capital

The Group's common equity Tier 1 capital ratio is continuing to rise and stood at 10.0 per cent at end-September 2012.

In the second quarter of the year, the effects of basis swaps (derivative contracts) had a positive effect on DNB's profits. In the third quarter, the situation was the opposite, and such derivative contracts had a negative effect of NOK 566 million. These effects vary considerably from quarter to quarter, however, over time the effect will be neutral.

Fewer full-time positions

The number of full-time positions was reduced by 166 in the third quarter. During the quarter, DNB entered into agreements to sell its Swedish subsidiary SalusAnsvar AB and the branch network in Poland. It is expected that some 390 employees will be transferred to the new owners in connection with the two transactions.

Key figures for the third quarter of 2012

- Pre-tax operating profits before write-downs were NOK 5.3 billion (5.2)
- Profit for the period was NOK 3.5 billion (2.5)
- Earnings per share were NOK 2.15 (1.53)
- Return on equity was 11.4 per cent (8.8)
- The ordinary cost/income ratio was 48.8 per cent (48.2)

Comparable figures for the third quarter of 2011 in parentheses.

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The quarterly report, presentation and Supplementary Information for Investors and Analysts can be downloaded from www.dnb.no/investor-relations