



DNB

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RESULTS DNB GROUP
Third quarter 2012

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)

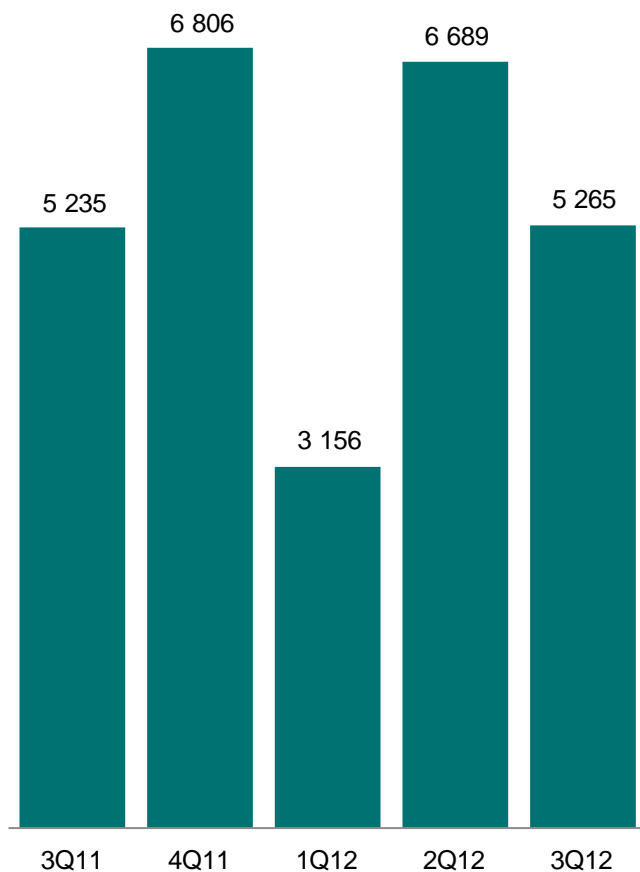
A strong third quarter

- 9.3 per cent increase in net interest income over a trailing 12-month period
- Rise in profits in all business areas
- Lower write-downs on loans
- Common equity Tier 1 capital ratio strengthened from 9.6 to 10.0 per cent

Positive trend in underlying operations

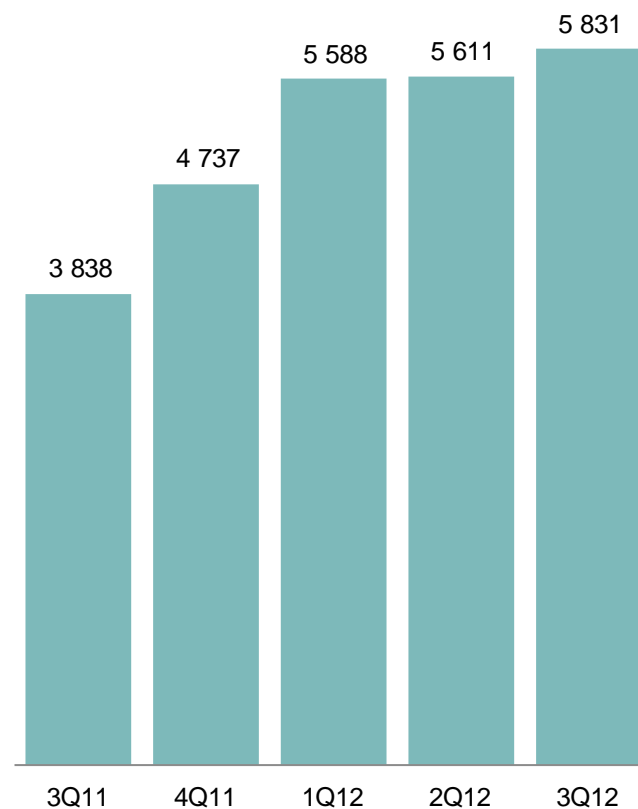
Pre-tax operating profit before write-downs

(NOK million)



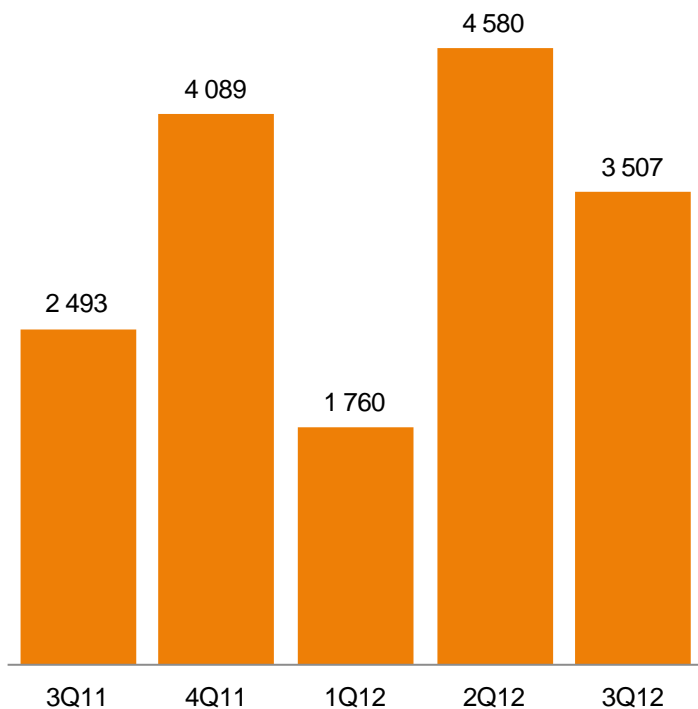
Pre-tax operating profit before write-downs excl. basis swaps

(NOK million)

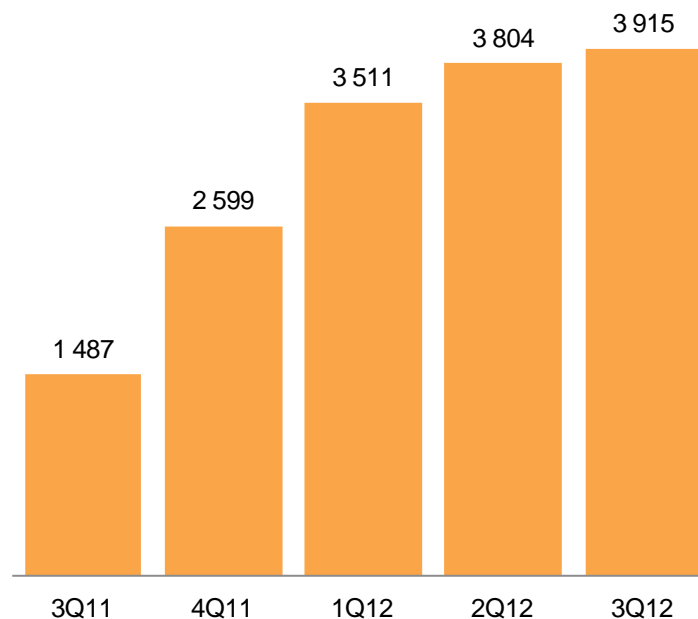


Quarterly profits

Profit for the period
(NOK million)

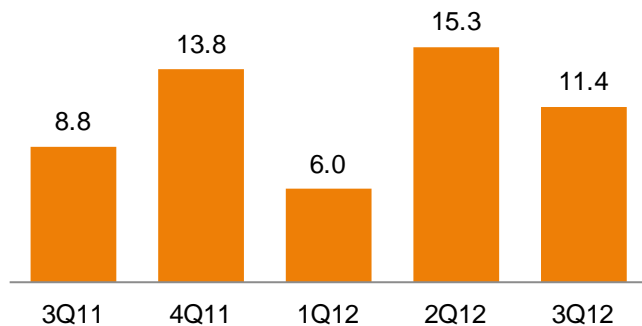


Profit for the period excl. basis swaps
(NOK million)

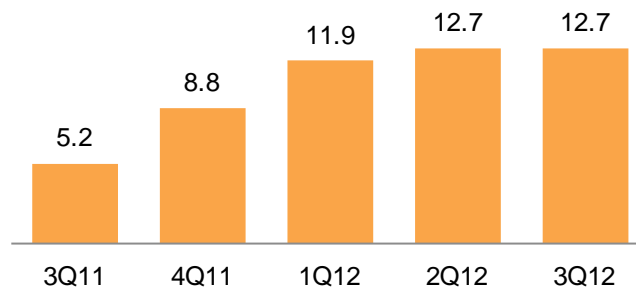


Return on equity and cost/income ratio

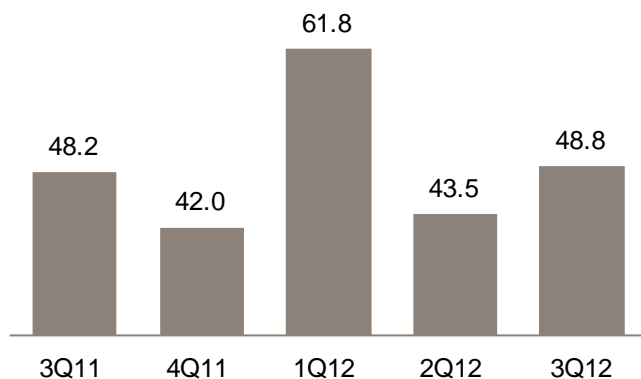
Return on equity
(Per cent)



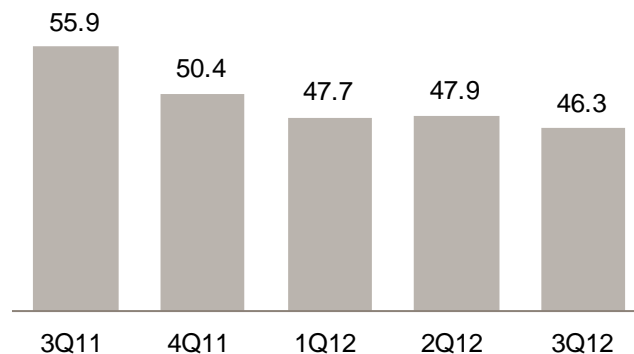
Return on equity excl. basis swaps
(Per cent)



Cost/income ratio
(Per cent)

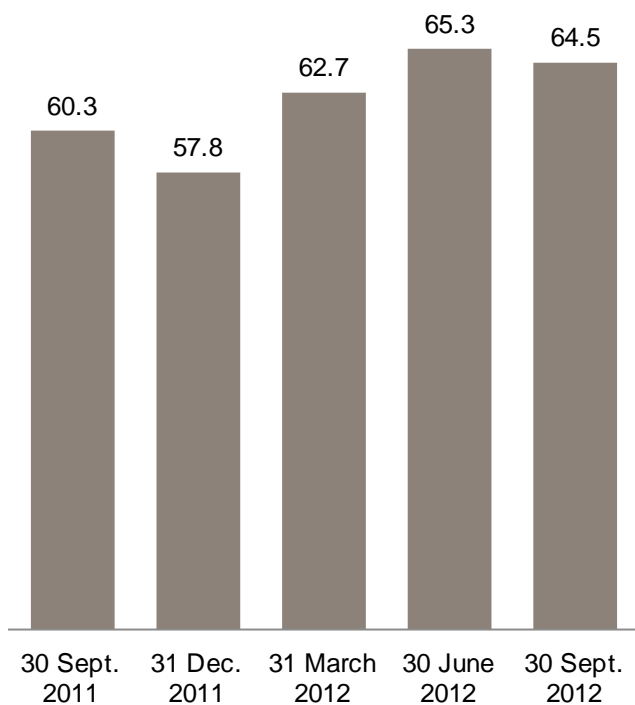


Cost/income ratio excl. basis swaps
(Per cent)

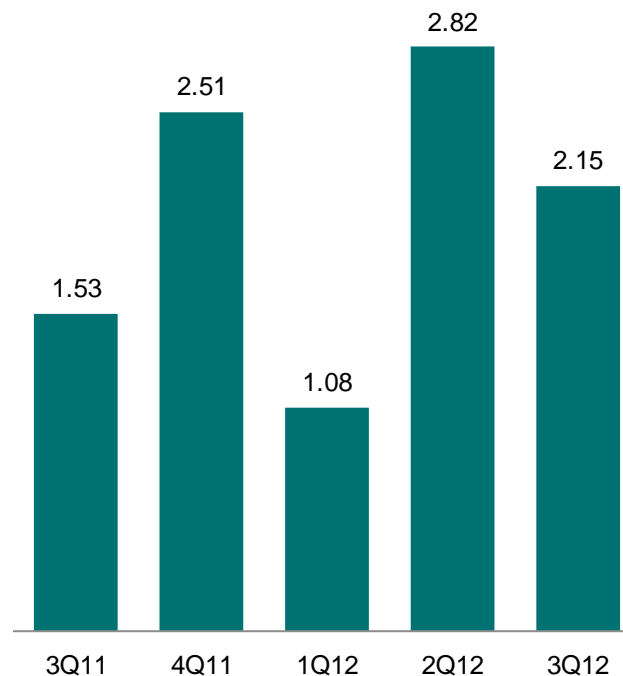


Ratio of deposits to lending and earnings per share

Ratio of deposits to lending
(Per cent)

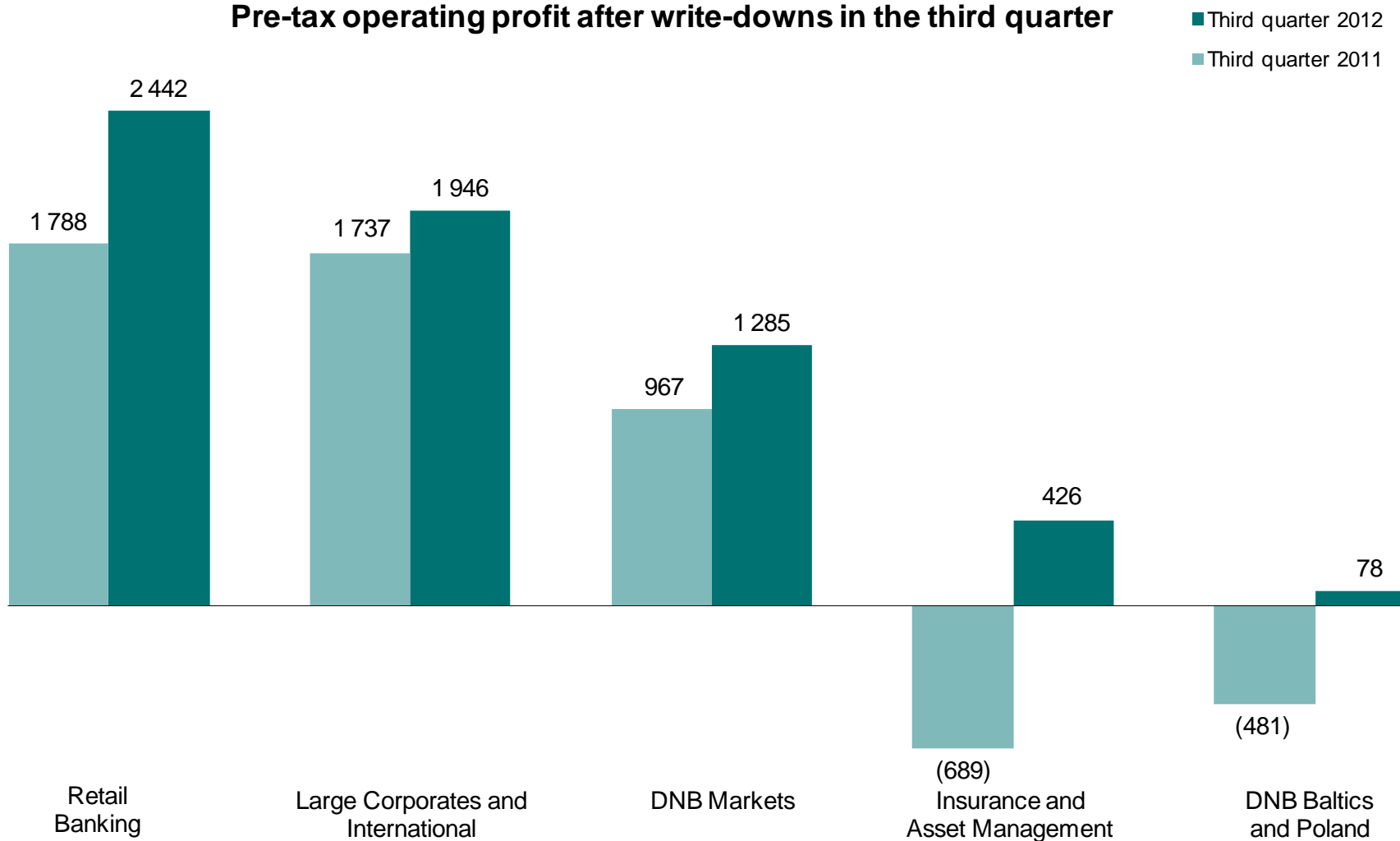


Earnings per share
(NOK)



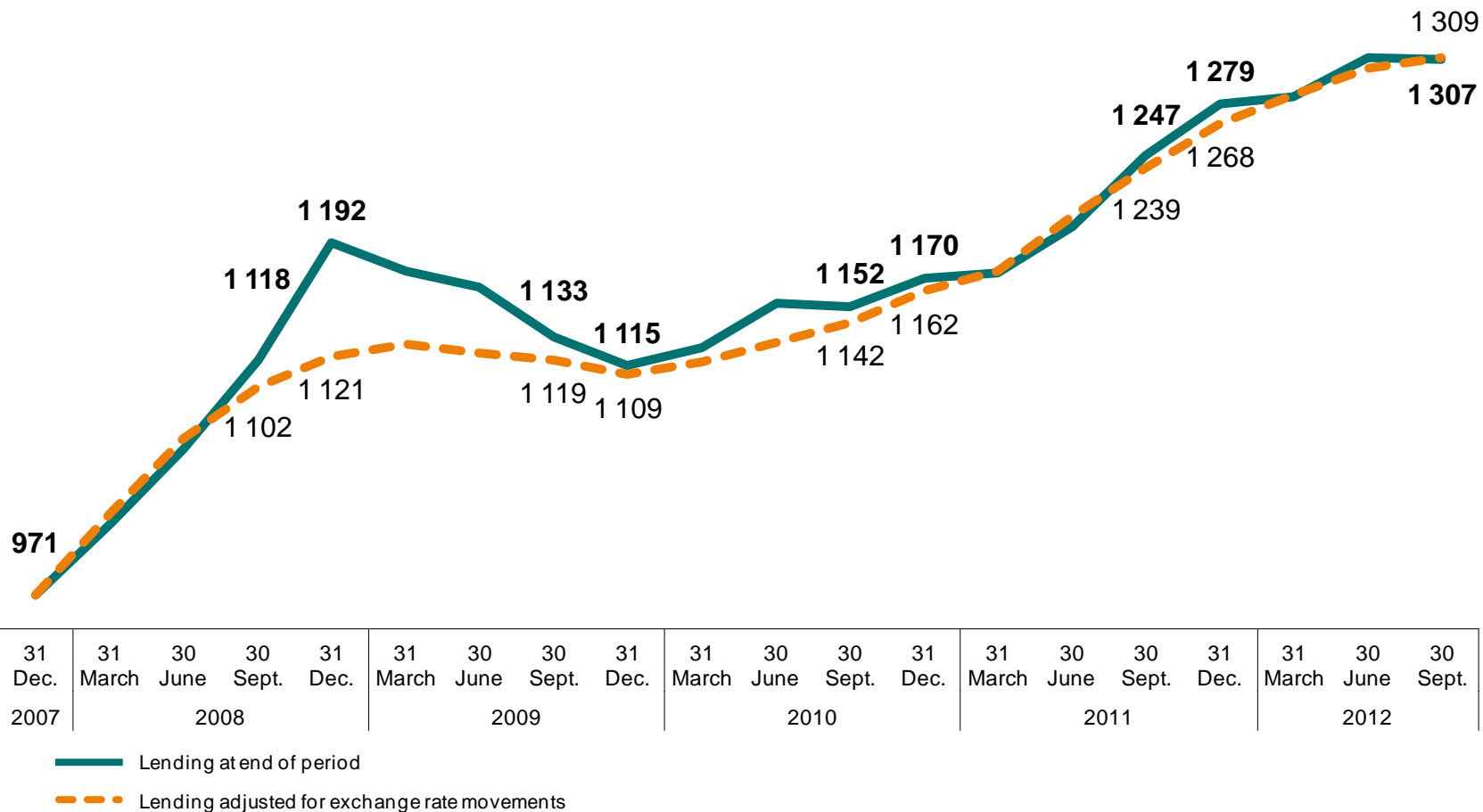
Rise in profits in all business areas

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



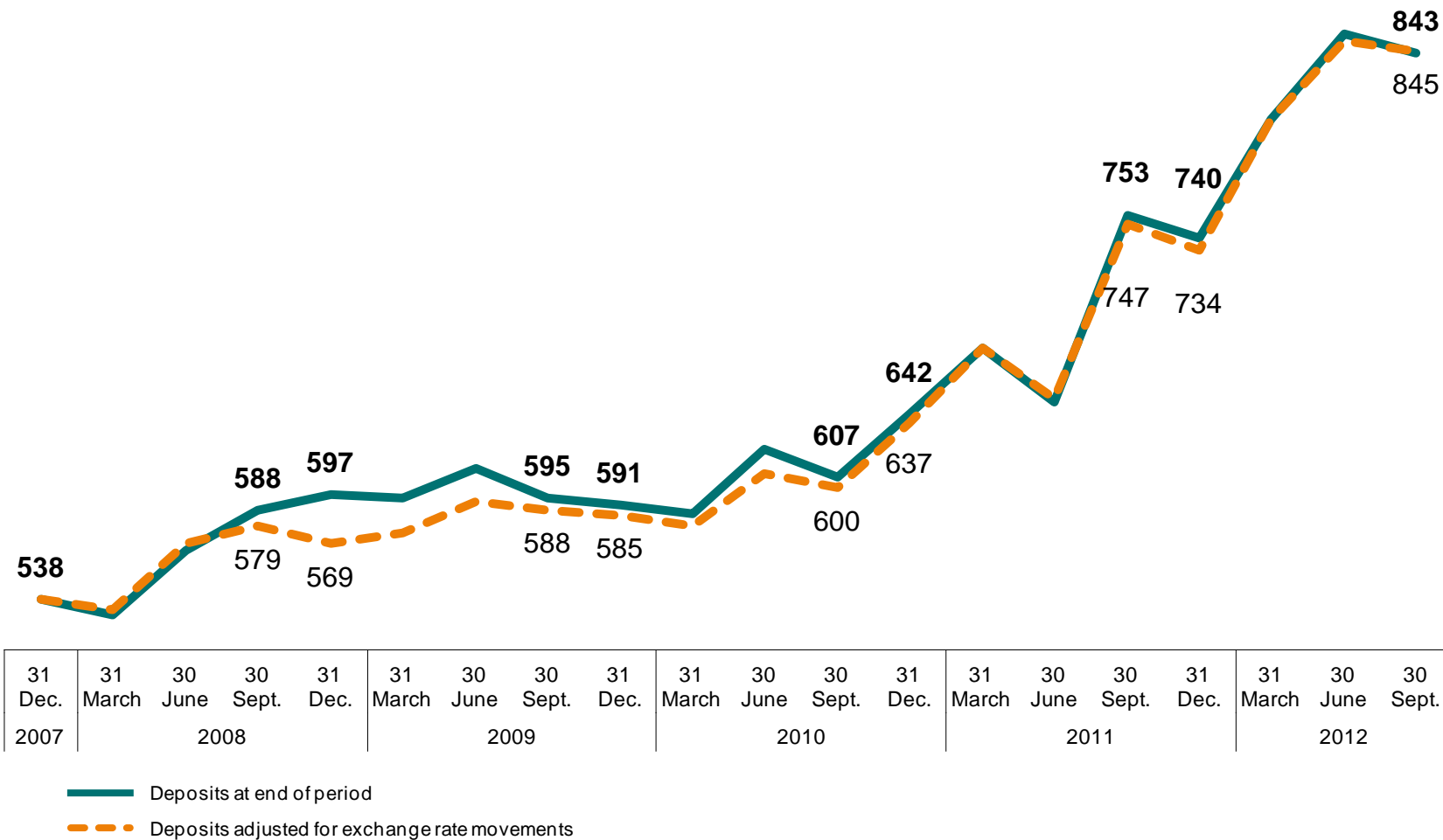
Development in lending

NOK billion



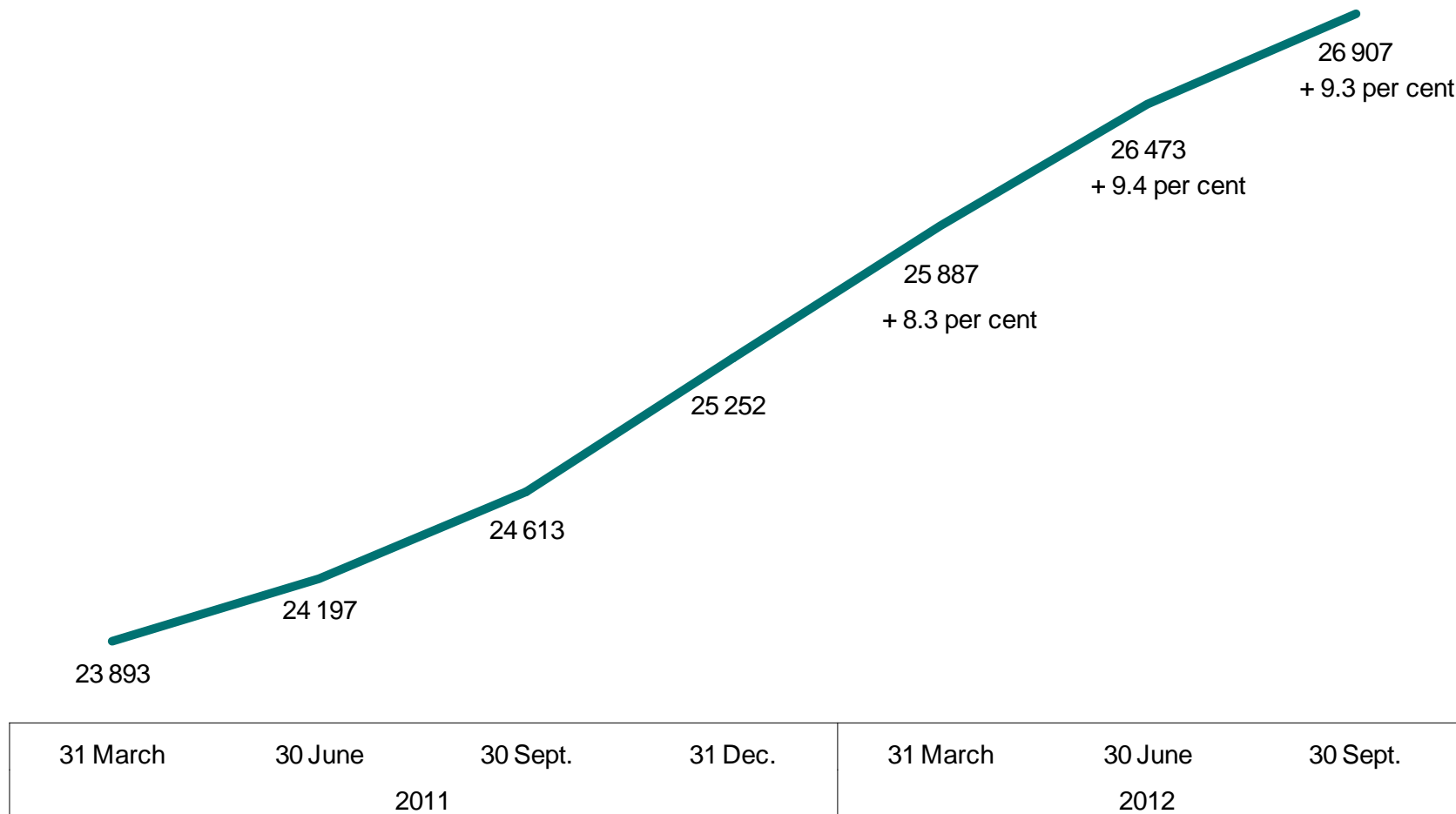
Development in deposits

NOK billion



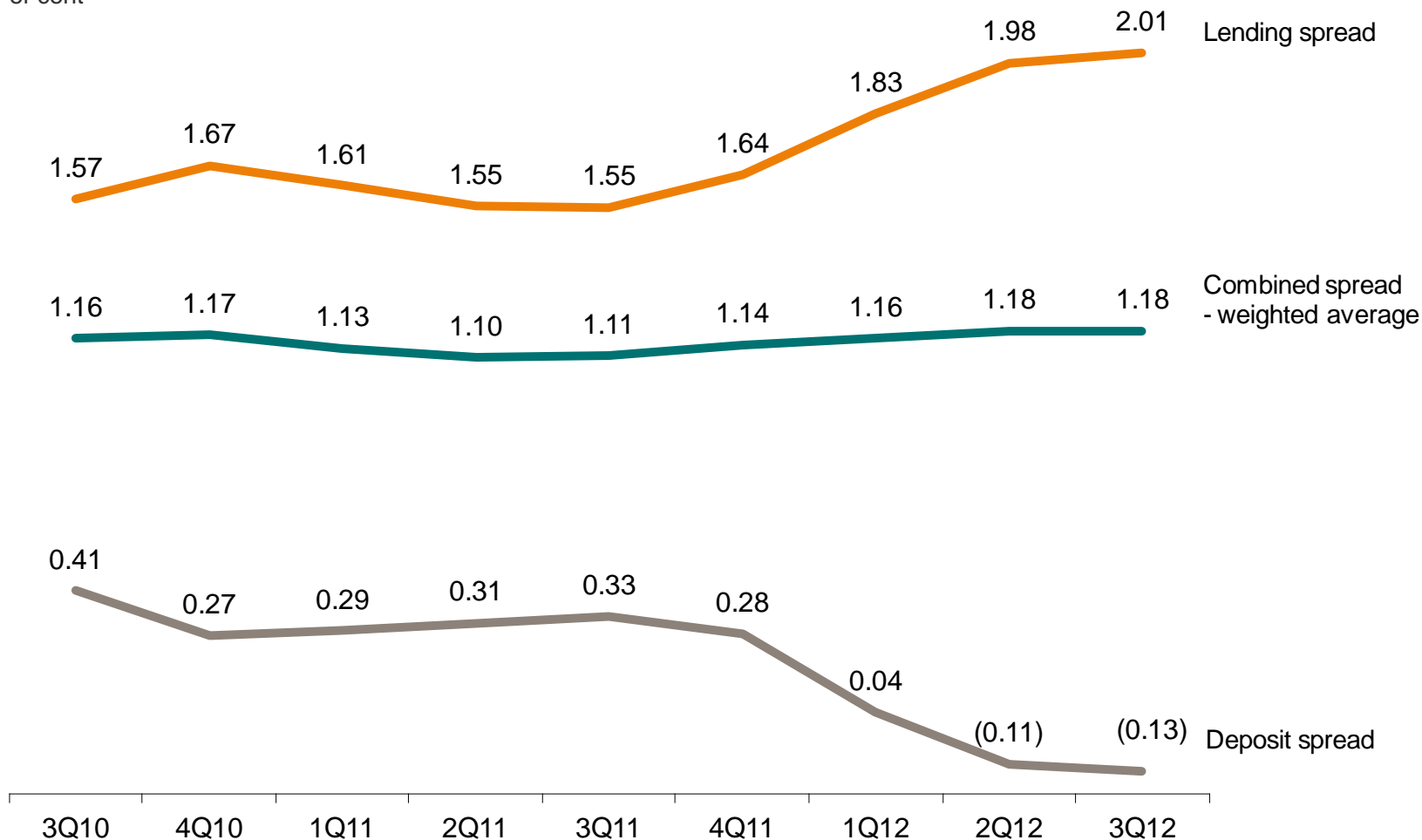
Net interest income – trailing 12 months

NOK million



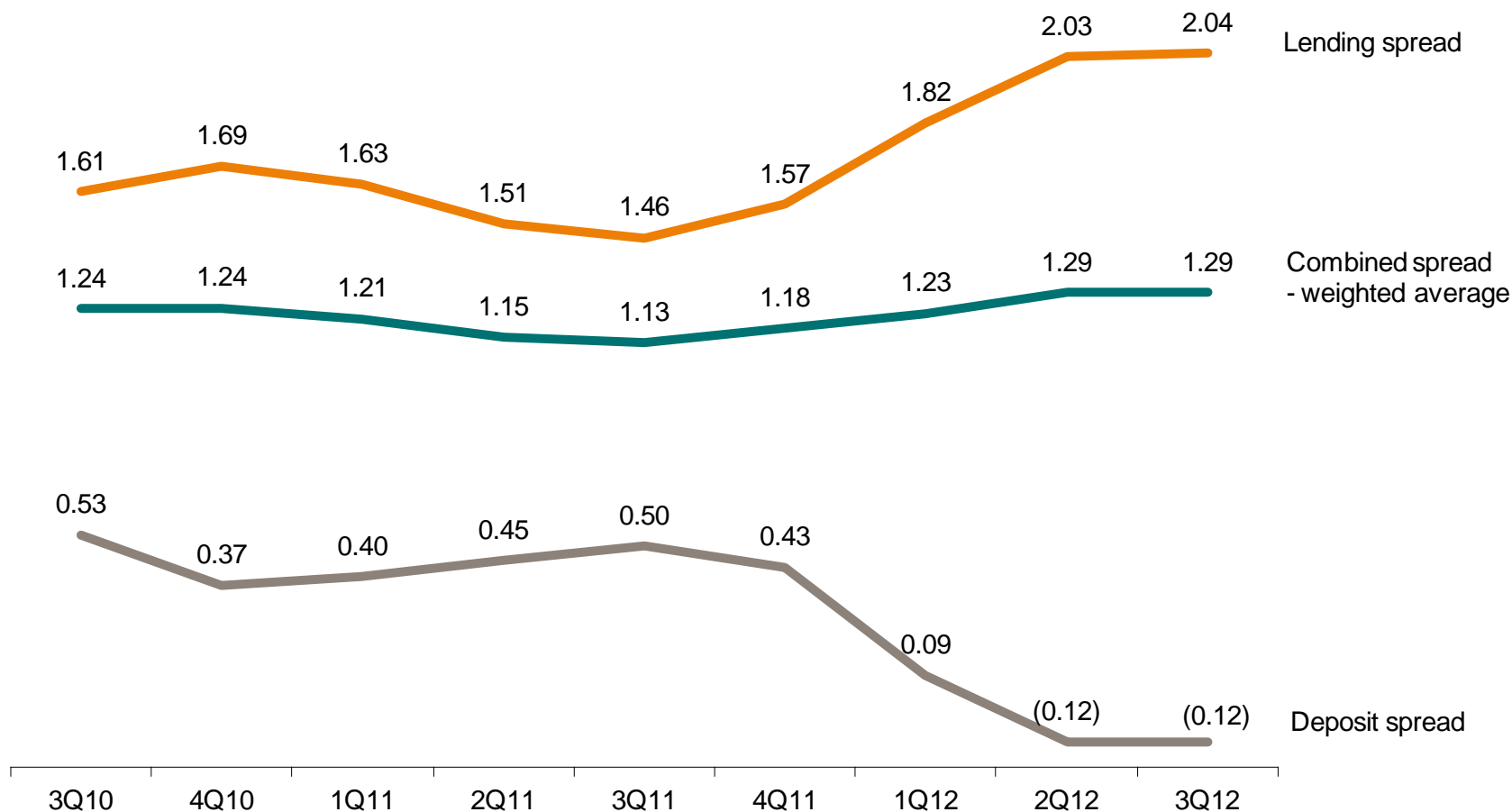
Development in average interest rate spreads – DNB Group

Per cent



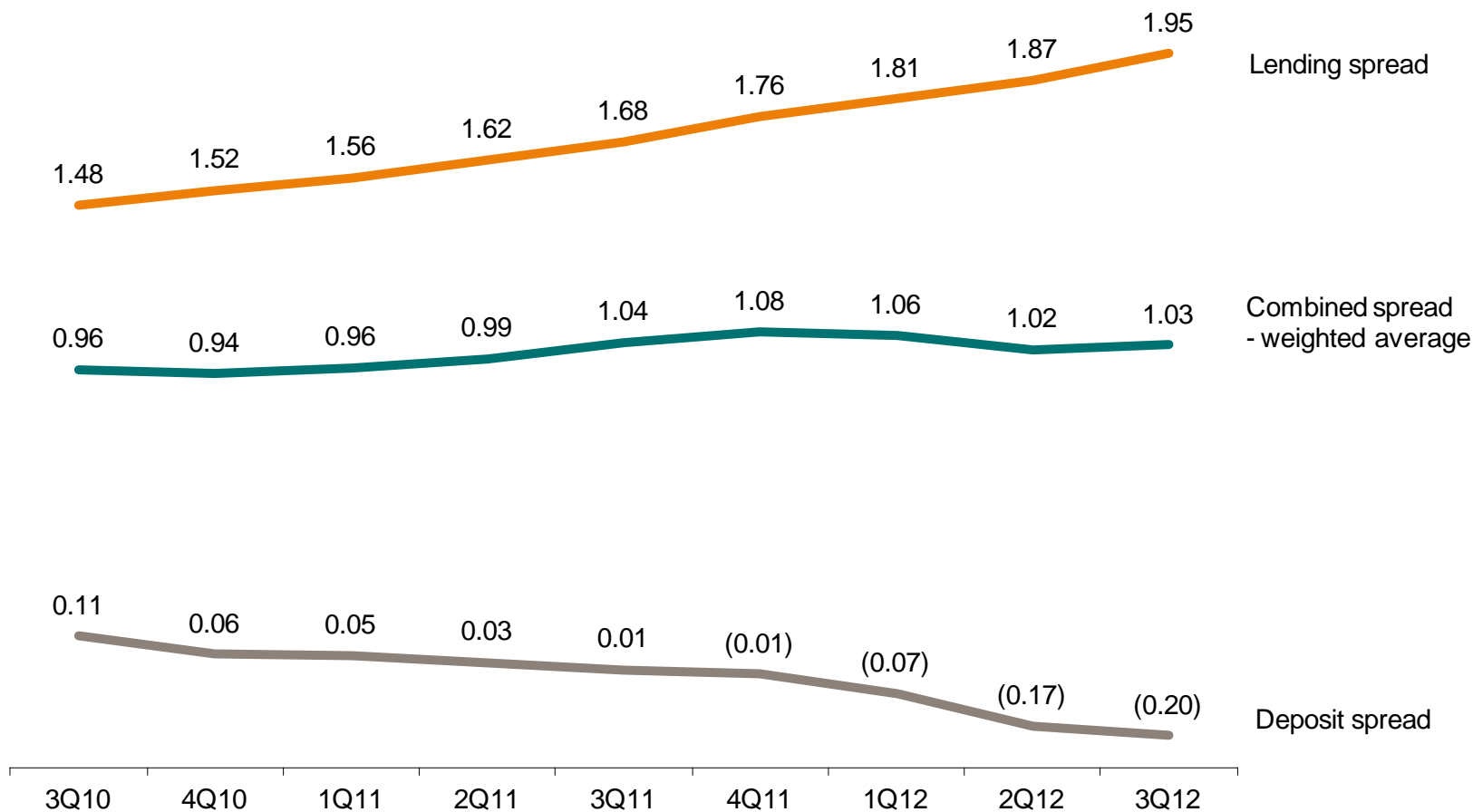
Development in average interest rate spreads – Retail Banking

Per cent



Development in average interest rate spreads – Large Corporates and International

Per cent



Income statement

Amounts in NOK million	3Q12	2Q12	1Q12	4Q11	3Q11	January - September	
						2012	2011
Net interest income	6 828	6 634	6 653	6 792	6 394	20 115	18 460
<i>Net commissions and fees, core business</i>	1 852	2 013	1 750	1 632	1 933	5 615	5 804
<i>Net financial items</i>	1 776	3 191	(143)	3 967	1 770	4 824	5 351
Net other operating income, total	3 628	5 204	1 607	5 599	3 703	10 439	11 154
Total income	10 456	11 837	8 261	12 392	10 097	30 554	29 614
Total operating expenses before impairment losses for goodwill and intangible assets	5 106	5 149	5 105	5 206	4 862	15 360	14 587
Impairment losses for goodwill and intangible assets	85	0	0	380	0	85	0
Pre-tax operating profit before write-downs	5 265	6 689	3 156	6 806	5 235	15 109	15 028
Net gains on fixed and intangible assets	20	37	7	(1)	6	63	20
Write-downs on loans and guarantees	521	685	784	926	1 170	1 990	2 519
Pre-tax operating profit	4 763	6 041	2 378	5 878	4 072	13 182	12 529
Taxes	1 256	1 553	618	1 790	1 604	3 427	3 633
Profit from operations held for sale	0	92	0	0	25	92	(5)
Profit for the period	3 507	4 580	1 760	4 089	2 493	9 847	8 890

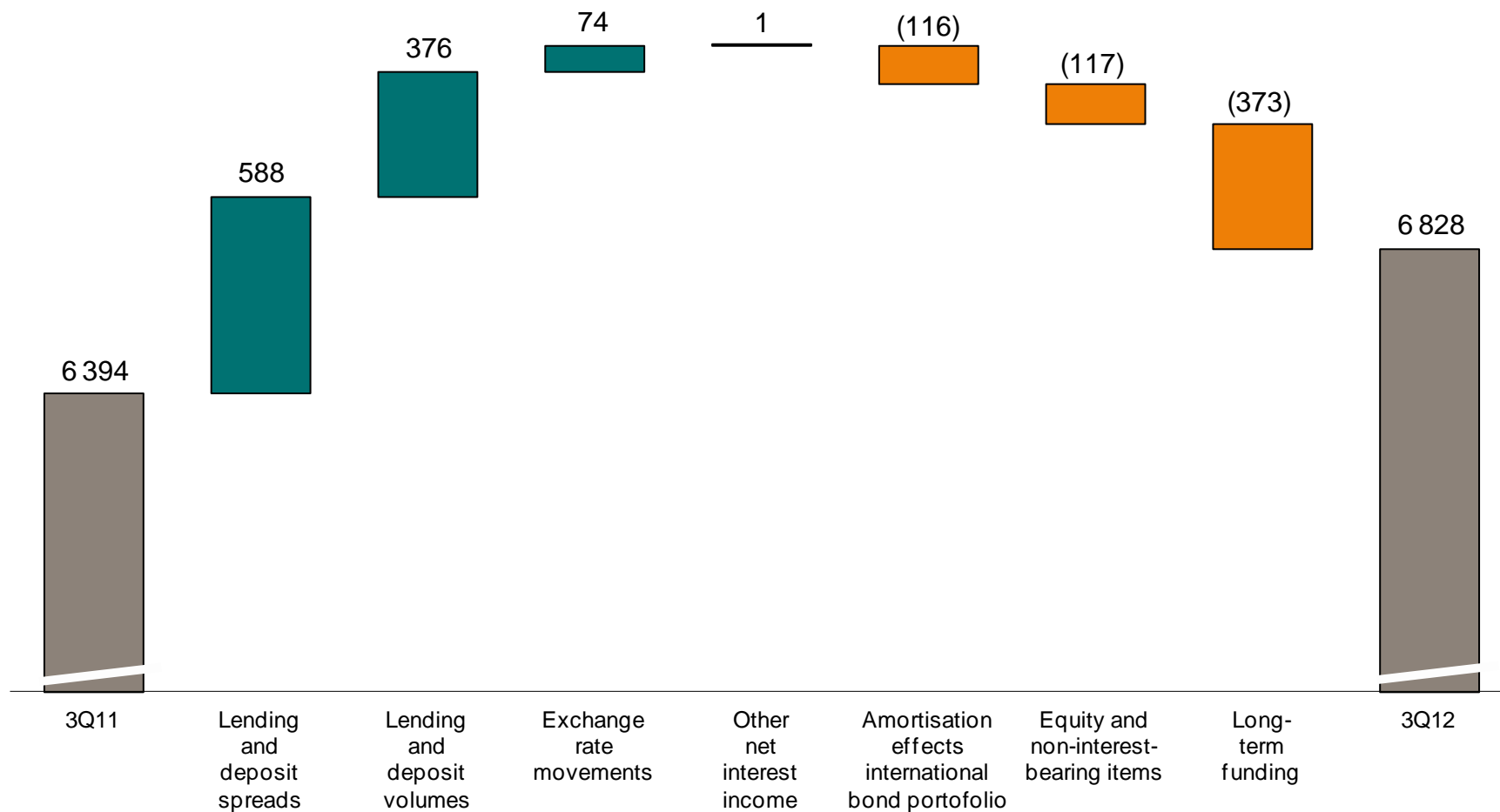
Special items

Amounts in NOK million	3Q12	2Q12	1Q12	4Q11	3Q11	January - September	
						2012	2011
Mark-to-market adjustments - basis swaps	(566)	1 078	(2 432)	2 069	1 398	(1 921)	962
Net mark-to-market adjustments - other items	79	76	176	272	1	331	(26)
Impairment losses for goodwill and intangible assets	85	0	0	380	0	85	0
Effect on pre-tax operating profit before write-downs	(573)	1 154	(2 256)	1 961	1 398	(1 676)	936

Changes in net interest income

NOK million

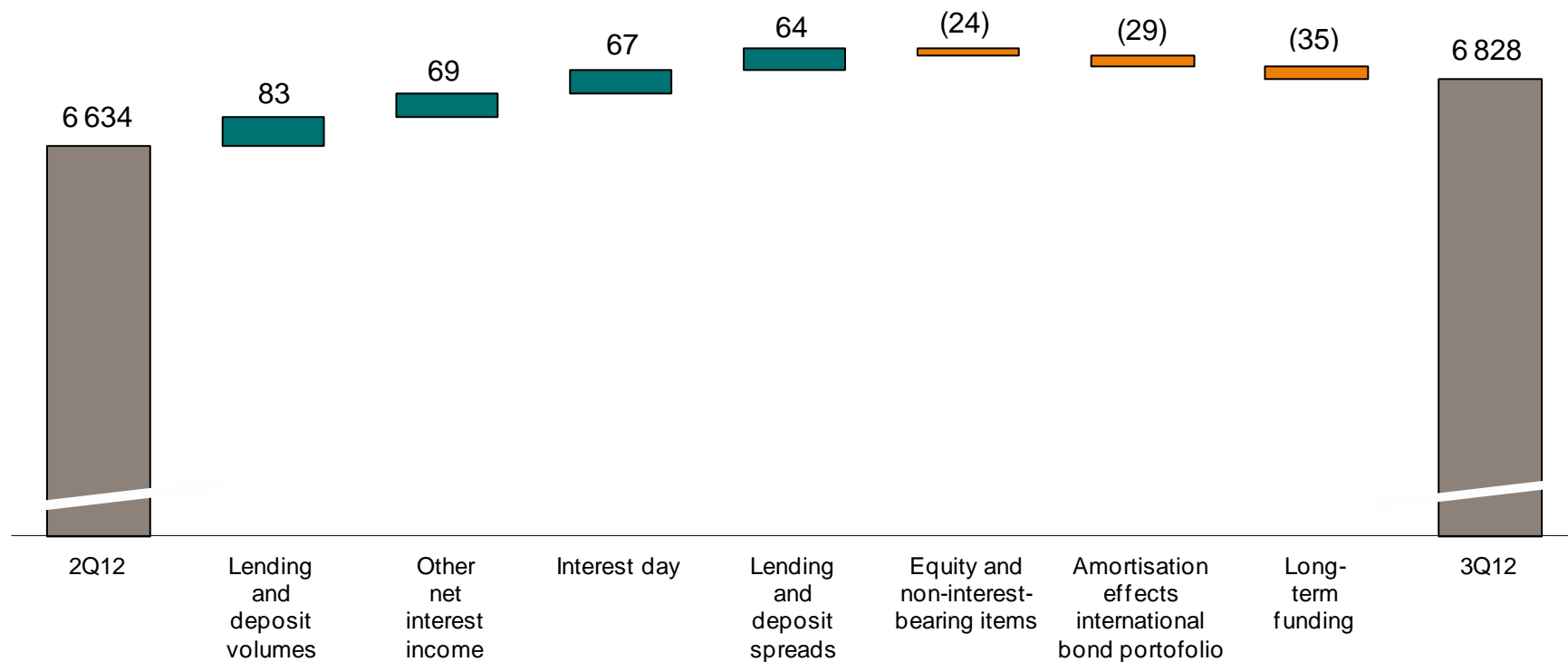
From 3rd quarter 2011 to 3rd quarter 2012



Changes in net interest income

NOK million

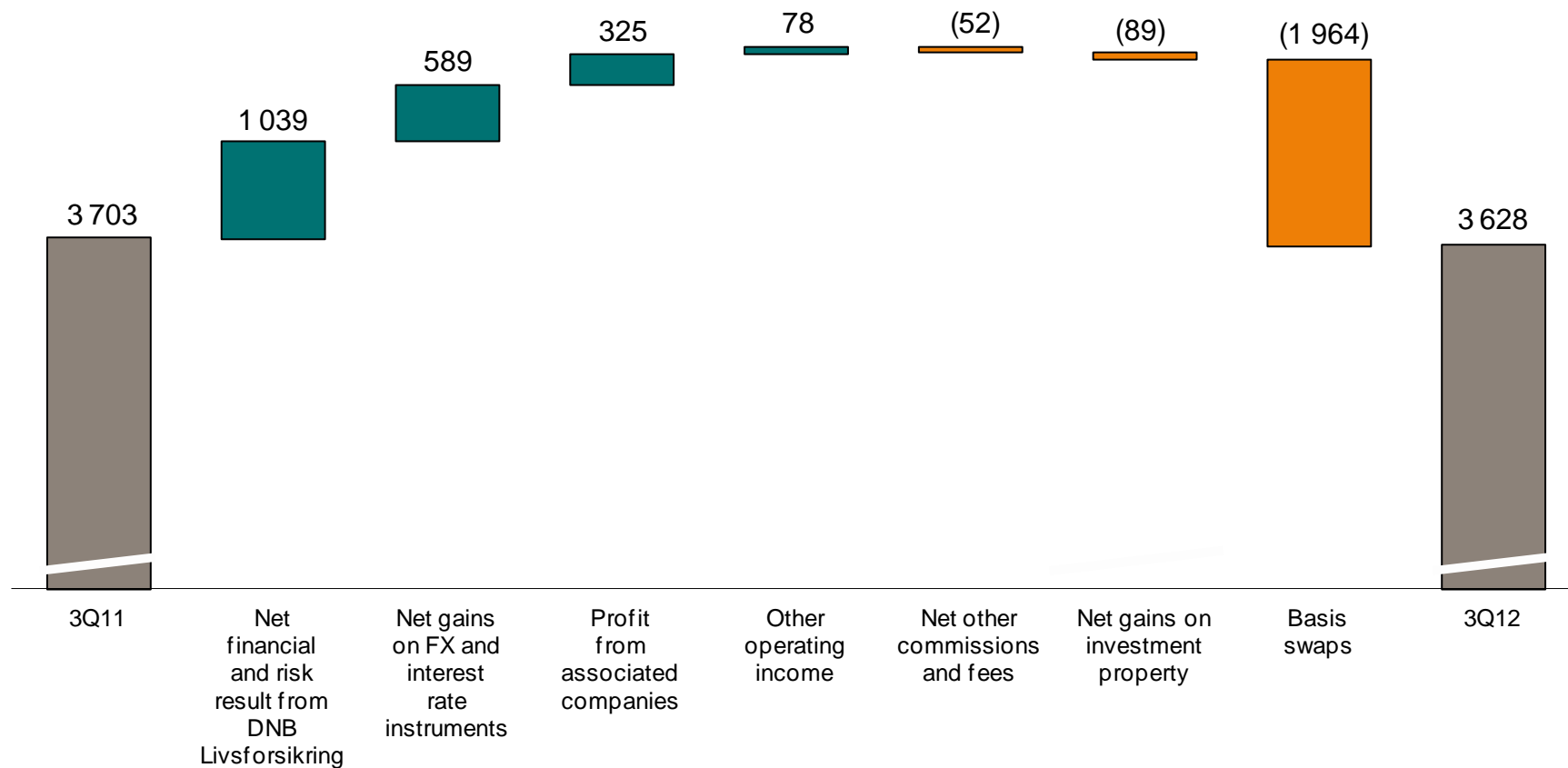
From 2nd quarter 2012 to 3rd quarter 2012



Changes in net other operating income

NOK million

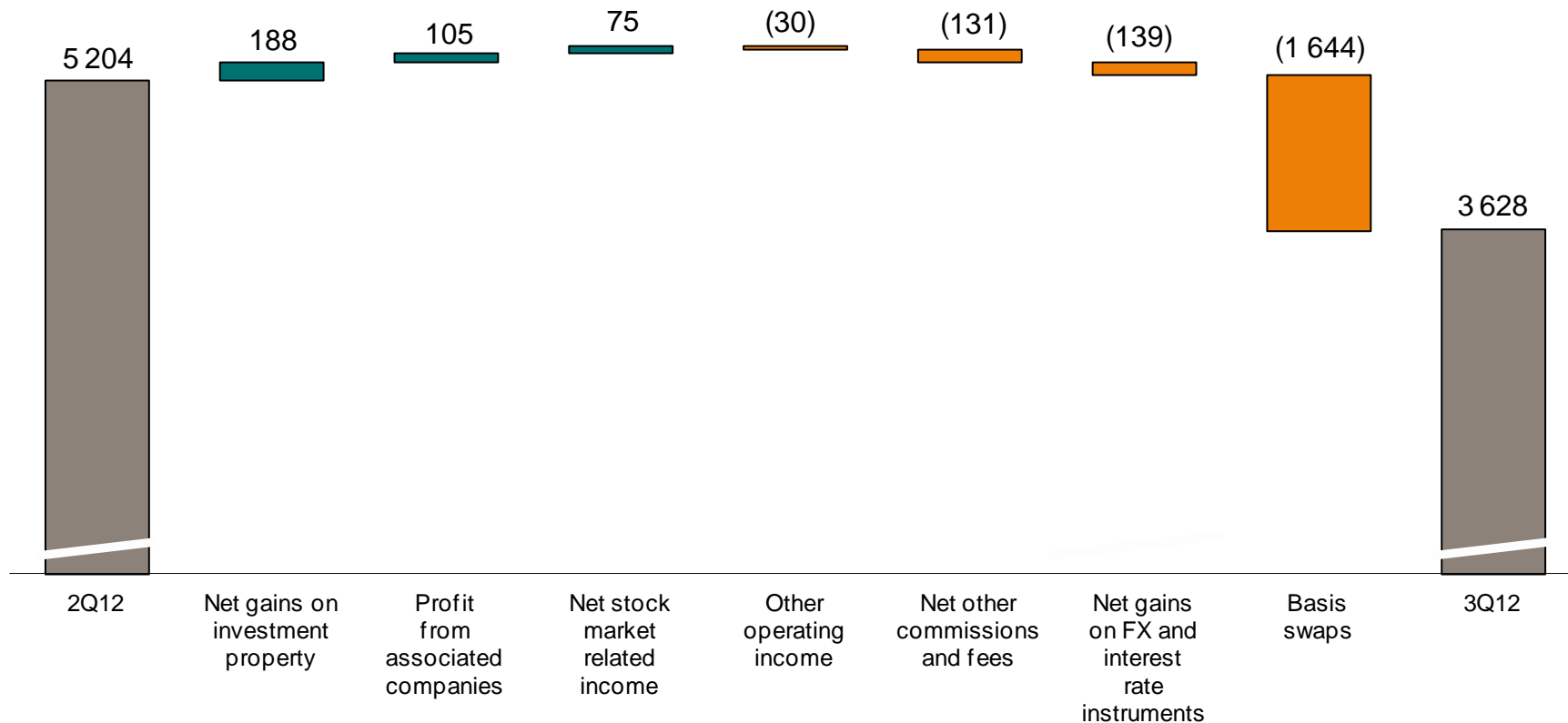
From 3rd quarter 2011 to 3rd quarter 2012



Changes in net other operating income

NOK million

From 2nd quarter 2012 to 3rd quarter 2012



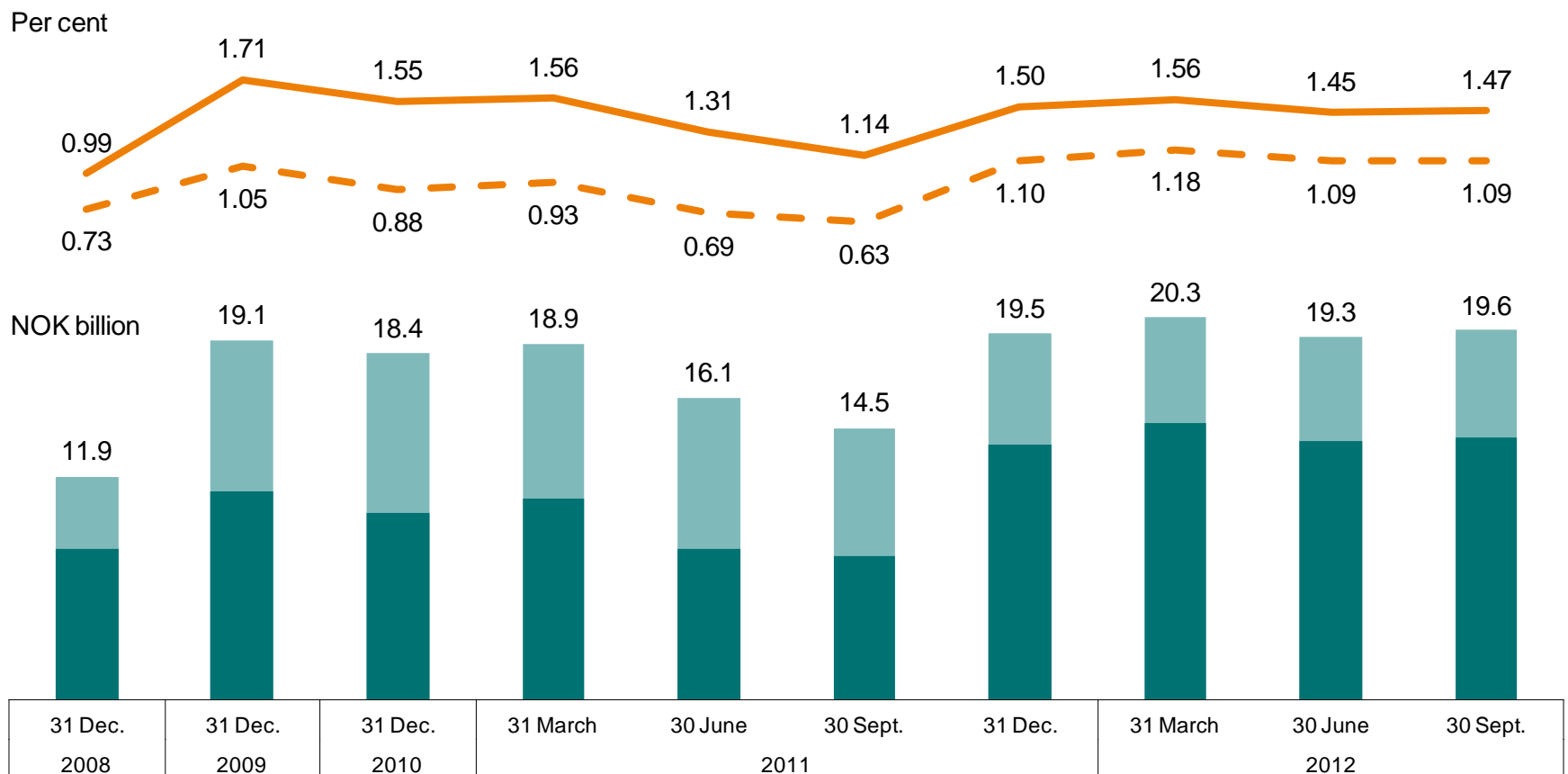
Changes in operating expenses

Amounts in NOK million	3Q12	Changes	3Q11	Changes in per cent
Total operating expenses	5 191	330	4 862	6.8
Costs for non-core operations		30		
Non-recurring costs				
Impairment losses for goodwill and intangible assets		85		
Restructuring costs		44		
Total adjusted operating expenses	5 025	171	4 854	3.5
Income-related costs				
Operational leasing		29		
Performance-based pay		(28)		
Expenses directly related to operations				
Cost programme		(71)		
Wage and price inflation		160		
IT expenses		(52)		
Rise in pension expenses		96		
Other costs		36		

Changes in operating expenses

Amounts in NOK million	3Q12	Changes	2Q12	Changes in per cent
Total operating expenses	5 191	43	5 149	0.8
Non-recurring costs				
Impairment losses for goodwill and intangible assets		85		
Premature termination of leases in connection with the move to new headquarters		(54)		
Restructuring costs		33		
Total adjusted operating expenses	5 068	(21)	5 090	(0.4)
Income-related costs				
Performance-based pay		(18)		
Expenses directly related to operations				
Cost programme		(22)		
Rise in pension expenses		17		
Other costs		2		

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 December 2011 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	3Q12	2Q12	1Q12	4Q11	3Q11	January - September	
						2012	2011
<i>Individual write-downs:</i>							
Retail Banking							
- Private customer divisions	38	7	59	78	38	104	109
- SME divisions	96	80	160	233	128	335	179
- DNB Finans ¹⁾	68	123	90	29	106	281	341
Large Corporates and International							
- Nordic Corporates Division	(14)	(22)	(12)	144	(3)	(48)	262
- International Corporates and Institutions Division	12	144	4	29	110	160	373
- Shipping, Offshore and Logistics Division	293	142	195	143	17	630	17
- Energy Division	0	0	0	1	2	0	(9)
- Other units ²⁾	60	5	87	1	(1)	151	(2)
DNB excl. former DnB NORD	554	478	582	657	397	1 615	1 269
Former DnB NORD							
- DNB Baltics and Poland	115	132	106	237	494	352	866
- Other units	0	0	0	126	28	0	62
Total individual write-downs	670	609	688	1 020	919	1 966	2 197
<i>Collective write-downs:</i>							
DNB excl. DNB Baltics and Poland	(90)	108	138	(44)	43	156	126
DNB Baltics and Poland	(58)	(32)	(42)	(50)	208	(132)	196
Total collective write-downs on loans	(148)	76	96	(94)	251	23	322
Write-downs on loans and guarantees	521	685	784	926	1 170	1 990	2 519

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

2) Commitments transferred from the former DnB NORD.

Write-downs in per cent of lending

Per cent	3Q12	2Q12	1Q12	4Q11	3Q11	January - September	
						2012	2011
Total write-downs in relation to average volumes (annual basis)	0.16	0.21	0.25	0.29	0.38	0.21	0.28
- DNB excl. DNB Baltics and Poland	0.15	0.19	0.24	0.23	0.16	0.19	0.16
- DNB Baltics and Poland	0.43	0.74	0.47	1.56	5.18	0.55	2.66

Balance sheets

	DNB Group			DNB Bank ASA	
	30 Sept. 2012	30 June 2012	31 Dec. 2011	30 Sept. 2012	31 Dec. 2011
Amounts in NOK billion					
Deposits with central banks	367	410	225	365	221
Lending to and deposits with credit institutions	42	32	29	227	193
Net lending to customers	1 307	1 309	1 279	693	712
Other assets	652	621	594	526	489
Total assets	2 369	2 372	2 126	1 810	1 615
Loans and deposits from credit institutions	294	294	280	302	296
Deposits from customers	843	854	740	802	704
Short-term debt securities issued	270	260	228	270	228
Long-term debt securities issued	458	469	407	175	156
Other liabilities and provisions	380	374	354	153	133
Equity	124	121	118	107	98
Total liabilities and equity	2 369	2 372	2 126	1 810	1 615
Ratio of deposits to net lending (%)	64.5	65.3	57.8	115.8	98.9
Adjusted ratio of deposits to net lending (%) ¹⁾	60.8	62.3	57.3	108.8	97.9
Total combined assets	2 639	2 633	2 395	1 810	1 615
Currency-adjusted customer lending	1 321	1 314		705	
Currency-adjusted customer deposits	851	856		810	

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

Good access to long-term funding

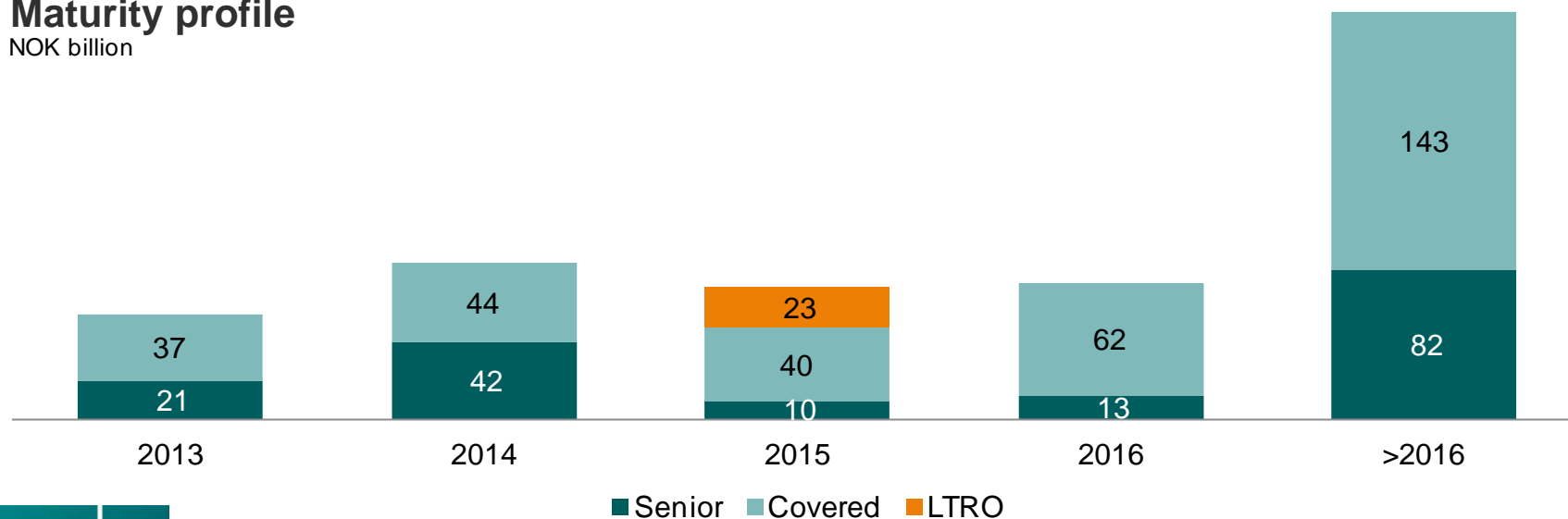
Funding 2012

	NOK billion	Maturity	Spread (bp) 3-month Euribor	Spread (bp) 3-month Nibor
Covered bonds	50.6	7.6	66	93
Senior bonds	43.5	6.9	171	194
Total	94.1	7.3	115	140
Subordinated loans	5.6	5.0	340	367
Total including subordinated loans	99.7	7.2	127	152

In addition: LTRO funding 9.0 3.0

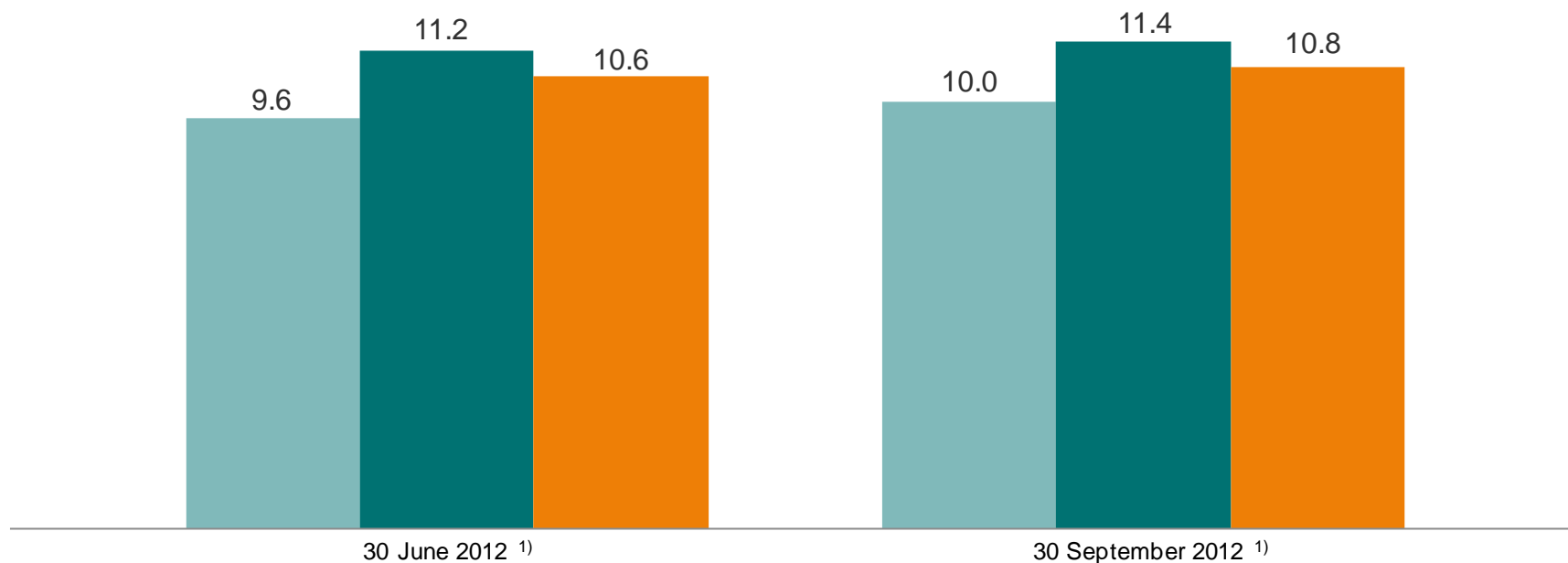
Maturity profile

NOK billion



Equity Tier 1 capital ratio

Per cent

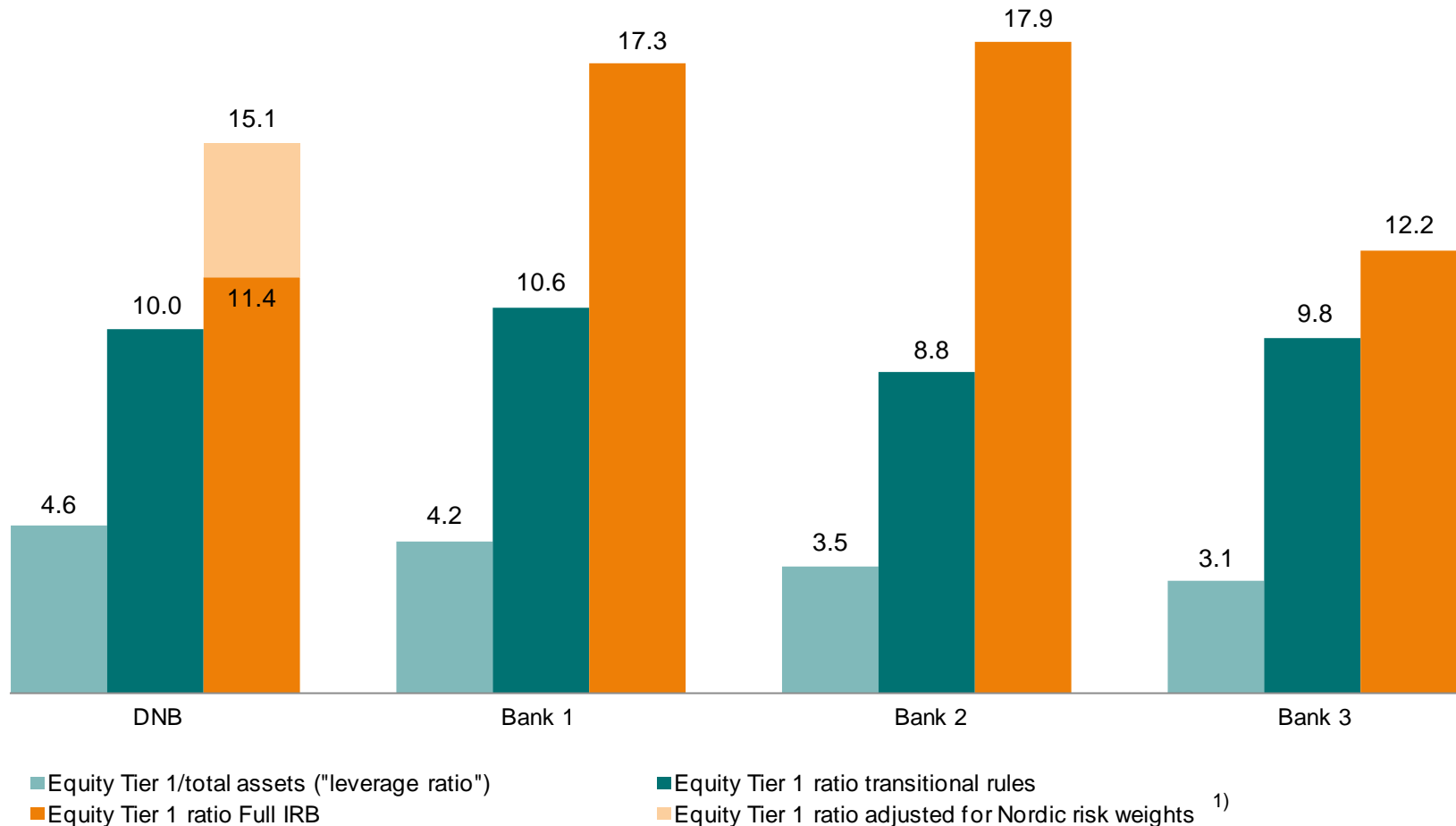


- Equity Tier 1 capital ratio (transitional rules)
- Equity Tier 1 capital ratio subject to full IRB implementation
- Equity Tier 1 capital ratio Basel III (estimate)

¹⁾ Including 50 per cent year-to-date profit

Equity Tier 1 capital ratio – compared with Nordic banks

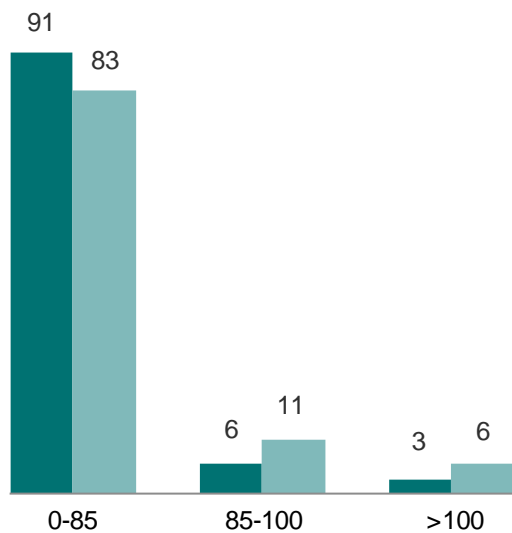
Per cent



1) DNB's risk weights are conservatively set due to the Norwegian FSA's requirements. When calculating the equity Tier 1 capital ratio according to Nordic rules, it is assumed that DNB's risk weights correspond to average observed risk weights reported by Nordic peers on similar portfolios

Loan-to-value ratios in the retail market

New loans according to loan-to-value ratio ¹⁾
(Per cent)

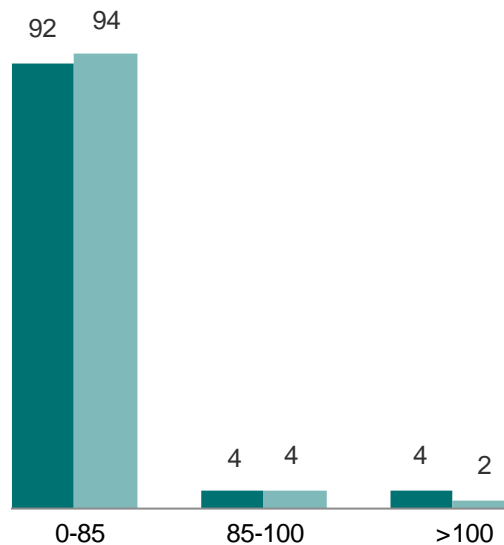


■ DNB

■ Norwegian banks

1) Source: The Financial Supervisory Authority of Norway's residential mortgages survey July and August 2012

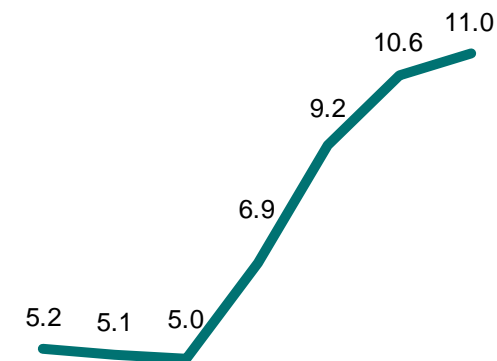
DNB's residential mortgages according to loan-to-value ratio
(Per cent)



■ 30 Juni 2012

■ 30 September 2012

Fixed-rate loans
(Per cent)

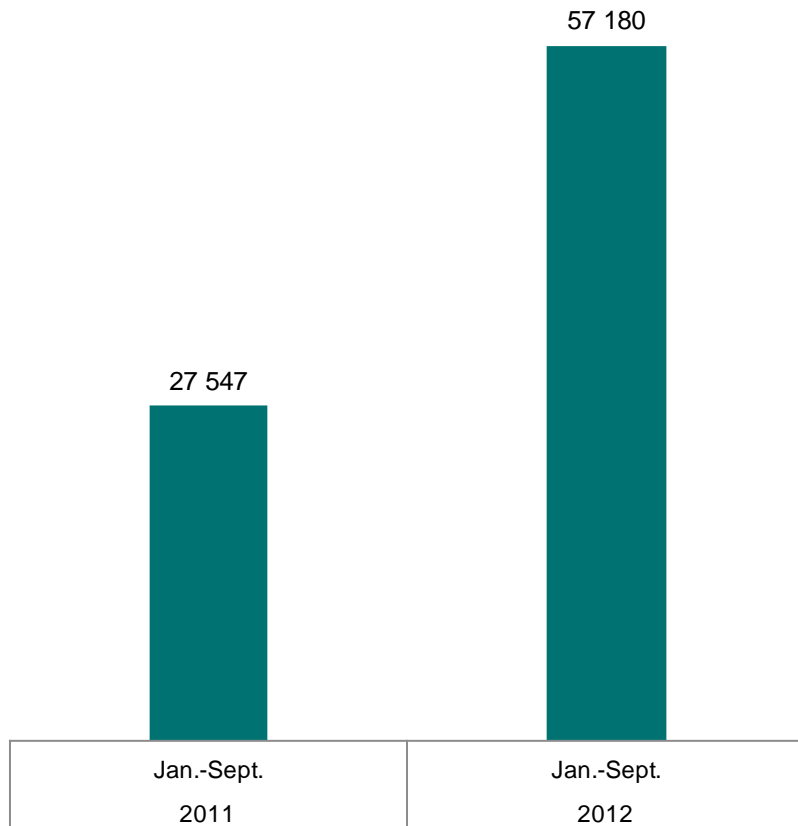


1Q11 2Q11 3Q11 4Q11 1Q12 2Q12 3Q12

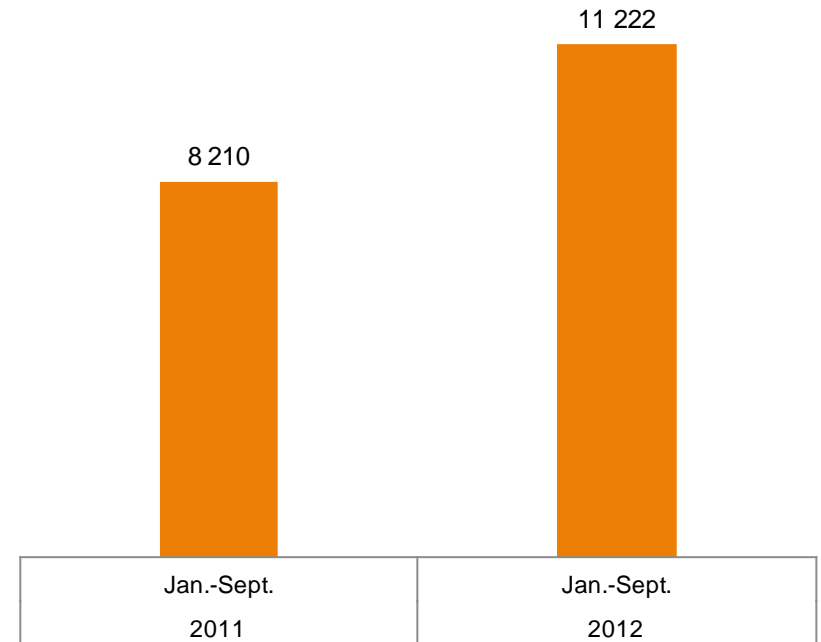
Corporate customer activity in Norway

Norwegian non-financial bond issues

(NOK million)



Number of new corporate customers in Norway



Outlook for DNB

- **Retail Banking**
Continued lending growth in the retail market, slightly wider lending spreads, pressure on deposit spreads and low write-downs
- **Large Corporates and International**
Wider lending spreads, pressure on deposit spreads and a continued low level of write-downs, with the exception of shipping. Rebalancing the portfolio will entail a reduction in lending to shipping and commercial property
- **DNB Markets**
High volatility will have a positive impact on income. Price pressure and lower activity levels, particularly in the stock market, will have the opposite effect
- **Insurance and Asset Management**
Lower risk and a reduced equity exposure will give more predictable profit levels. Focus on higher product prices, cost-efficiency measures and capital-efficient products
- **DNB Baltics**
Improved operations and lower write-downs



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