Q1

DNB GROUP

First quarter report 2014
(Unaudited)

Financial highlights

DNB Group

Income statement *Amounts in NOK million*	1st quarter 2014	1st quarter 2013	Full year 2013
Net interest income	7 691	6 857	30 192
Net commissions and fees	*2 185*	*1 956*	*8 537*
Net gains on financial instruments at fair value	*2 089*	*1 063*	*5 032*
Net financial and risk result, DNB Livsforsikring	*105*	*220*	*1 021*
Net insurance result, DNB Skadeforsikring	*102*	*75*	*418*
Other operating income	*397*	*368*	*1 420*
Net other operating income, total	4 877	3 682	16 427
Total income	12 569	10 539	46 619
Operating expenses	5 168	5 026	20 186
Restructuring costs and non-recurring effects	24	8	682
Expenses relating to debt-financed structured products	0	450	450
Impairment losses for goodwill and intangible assets	0	0	557
Pre-tax operating profit before impairment	7 377	5 054	24 744
Net gains on fixed and intangible assets	(0)	4	151
Impairment of loans and guarantees	80	737	2 185
Pre-tax operating profit	7 297	4 321	22 709
Tax expense	1 758	1 149	5 188
Profit from operations held for sale, after taxes	(19)	10	4
Profit for the period	**5 519**	**3 181**	**17 526**

Balance sheet *Amounts in NOK million*	31 March 2014	31 Dec. 2013 [1)]	31 March 2013 [1)]
Total assets	2 482 789	2 405 239	2 498 756
Loans to customers	1 343 832	1 340 831	1 315 104
Deposits from customers	900 180	867 904	889 043
Total equity	146 941	142 227	130 807
Average total assets	2 676 431	2 542 535	2 426 784
Total combined assets	2 740 258	2 655 745	2 718 182

Key figures	1st quarter 2014	1st quarter 2013	Full year 2013
Return on equity, annualised (per cent)	15.5	10.0	13.2
Earnings per share (NOK)	3.39	1.96	10.76
Combined weighted total average spread for lending and deposits (per cent)	1.25	1.20	1.27
Cost/income ratio (per cent)	41.3	52.0	45.7
Impairment relative to average net loans to customers, annualised (per cent)	0.02	0.23	0.17
Common equity Tier 1 capital ratio, transitional rules, at end of period (per cent) [2)]	11.9	10.6	11.8
Tier 1 capital ratio, transitional rules, at end of period (per cent) [2)]	12.3	10.8	12.1
Capital ratio, transitional rules, at end of period (per cent) [2)]	14.2	12.1	14.0
Share price at end of period (NOK)	104.10	85.65	108.50
Price/book value	1.15	1.07	1.24
Proposed dividend per share (NOK)	-	-	2.70

1) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.
2) Including 50 per cent of profit for the period, except for the full year figures.

There has been no full or partial external audit of the quarterly directors' report and accounts, though the report has been reviewed by the Audit and Risk Management Committee.

First quarter report 2014

Directors' report

Introduction

DNB recorded profits of NOK 5 519 million in the first quarter of 2014, up NOK 2 338 million from the first quarter of 2013. The effect of basis swaps caused a NOK 363 million reduction in income, while the value of the shareholding in Nets was increased by NOK 913 million. During the first quarter of 2014, an agreement to sell the Group's shareholding in Nets was signed. The transaction is expected to be completed in the second quarter of 2014. Other key factors behind the improved profit performance were rising net interest income and lower impairment losses on loans. The increase in profits contributed to the necessary build-up of capital to meet stricter capital requirements. The common equity Tier 1 capital ratio, calculated according to the transitional rules, rose from 10.6 per cent at end-March 2013 to 11.9 per cent, including 50 per cent of interim profits. DNB's target is to achieve a common equity Tier 1 capital ratio of 13.5-14.0 per cent by year-end 2016.

Lending spreads widened by 0.21 percentage points and deposit spreads by 0.01 percentage points from the first quarter of 2013. During the same period, there was a 3.2 per cent average increase in the healthy loan portfolio, while deposit volumes were up 15.4 per cent. This gave a total increase in net interest income of NOK 834 million compared with the first quarter of 2013. The relatively modest lending growth reflected strong competition in the market.

At end-February, the twelve-month growth rate for credit to Norwegian households was 6.7 per cent, while DNB recorded an increase of 1.9 per cent. Government-backed banks, in particular the Norwegian Public Service Pension Fund, accounted for the main part of the market growth. Compared to other private financial institutions, DNB's market share was stable during the last few months of the twelve-month period.

In order to face the competition, DNB decided at the beginning of April to reduce lending rates by up to 0.25 percentage points. Parallel to this, deposit rates were cut by up to 0.4 percentage points. The changes will enter into force as of 16 June 2014 for existing loans and deposits.

Adjusted for the effect of basis swaps, other operating income was NOK 1 558 million higher than in the first quarter of 2013. The abovementioned increase in value of the shareholding in Nets and gains on foreign exchange and interest rate instruments were the main reasons behind the rise in income.

Total operating expenses were reduced by NOK 293 million from the first quarter of 2013. Ordinary operating expenses, excluding restructuring costs and other non-recurring effects, rose by NOK 142 million during the same period, reflecting rising IT costs.

Impairment losses on loans and guarantees came to NOK 80 million for the quarter. Adjusted for reversals, individual impairment was considerably lower than in all four quarters of 2013, reflecting both sound credit management and positive macroeconomic developments in Norway and internationally.

DNB's equity funds DNB Global (II) and DNB Obligasjon (I) were named best equity funds in their respective categories in 2013.

Income statement

Net interest income

Amounts in NOK million	1st quarter 2014	Change	1st quarter 2013
Net interest income	7 691	834	6 857
Lending and deposit spreads		652	
Exchange rate movements		213	
Commissions etc.		28	
Long-term funding costs		(16)	
Amortisation effects, international bond portfolio		(29)	
Other net interest income		(13)	

Net interest income rose by NOK 834 million or 12.2 per cent from the first quarter of 2013, mainly due to increasing lending spreads. Average lending spreads widened by 0.21 percentage points, while deposit spreads increased by 0.01 percentage points. Volume-weighted spreads widened by 0.05 percentage points. There was an average increase of NOK 40.5 billion or 3.2 per cent in the healthy loan portfolio compared with the first quarter of 2013. During the same period, deposits were up NOK 134.1 billion or 15.4 per cent. The relatively low lending growth reflected fierce competition in the market. The interest rate reductions, which were implemented for new loans in early April, are expected to help DNB reach its lending growth ambition of 3-4 per cent in 2014.

Net other operating income

Amounts in NOK million	1st quarter 2014	Change	1st quarter 2013
Net other operating income	4 877	1 196	3 682
Net stock market-related income		1 069	
Net other gains on foreign exchange and interest rate instruments 1)		438	
Net other commissions and fees		137	
Net financial and risk result from DNB Livsforsikring 2)		(115)	
Basis swaps		(363)	
Other operating income		29	

1) *Excluding guarantees and basis swaps.*
2) *Guaranteed returns and allocations to policyholders deducted.*

Net other operating income, adjusted for basis swaps, increased by NOK 1 558 million, which mainly reflected the NOK 913 million rise in value of the shareholding in Nets. There was also a healthy trend in income from foreign exchange and interest rate instruments, including commercial paper and bonds in Markets. Income from commissions and fees on capital-light products increased by 11.7 per cent from the first quarter of 2013, reaching a higher level over the past few quarters. Provisions for higher life expectancy were among the factors that had a negative impact on income from DNB Livsforsikring.

Operating expenses

Amounts in NOK million	1st quarter 2014	Change	1st quarter 2013
Operating expenses excluding non-recurring effects	5 168	142	5 026
Income-related costs			
Ordinary depreciation on operational leasing		25	
Expenses related to operations			
Pension expenses		(20)	
IT expenses		77	
Marketing costs		19	
Other costs		42	
Non-recurring effects	24	(435)	458
Restructuring costs – employees		18	
Other restructuring costs and non-recurring effects		(3)	
Provisions for debt-financed structured products		(450)	
Operating expenses	5 192	(293)	5 485

Operating expenses were reduced by NOK 293 million or 5.3 per cent from the first quarter of 2013. Adjusted for non-recurring effects, there was an increase in expenses of NOK 142 million. Rising IT costs were the main factor behind the increase in costs, reflecting that a greater part of development funds was used for measures to stabilise operations, which cannot be capitalised in the balance sheet.

Impairment of loans and guarantees

Impairment losses on loans and guarantees totalled NOK 80 million, a reduction from NOK 737 million in the first quarter of 2013, but a moderate increase from NOK 36 million in the fourth quarter of 2013. The reversal of collective impairment losses in the amount of NOK 252 million had a positive effect on impairment levels during the quarter and primarily reflected the improved economic situation in the shipping sector. Individual impairment totalled NOK 332 million. The most pronounced reductions compared with the first quarter of 2013 stemmed from the shipping segments and the Baltics and Poland.

In addition, there was a highly positive trend in non-performing and doubtful loans and guarantees, which were reduced by NOK 3.5 billion from end-March 2013 and were thus at the lowest level since the third quarter of 2011. Net non-performing and doubtful loans and guarantees amounted to NOK 16.4 billion at end-March 2014, which represented 1.19 per cent of the loan portfolio, down from 1.48 per cent at end-March 2013.

Taxes

The DNB Group's tax expense for the first quarter of 2014 was NOK 1 758 million, or 24.1 per cent of pre-tax operating profits. The tax rate was somewhat lower than the long-term expectation of 26 per cent, partly due to the fact that the rise in value of the shareholding in Nets is exempt from taxes. The tax rate for 2014 is expected to be approximately 24 per cent.

Segments

Financial governance in DNB is geared to the different customer segments. The follow-up of total customer relationships and segment profitability are two important dimensions when making strategic priorities and deciding where to allocate resources. Special product areas are responsible for production and development for parts of the product range and help ensure that the Group meets the needs of the various customer segments. Reported figures for the different segments reflect the Group’s total sales of products and services to the relevant customer segments.

Personal customers

This segment includes the Group's 2.1 million personal customers in Norway.

Pre-tax operating profits totalled NOK 2 175 million in the first quarter of 2014, an increase of NOK 506 million from the first quarter of 2013. Wider lending spreads were a key factor behind the improved performance. The quality of the loan portfolio was sound, with a stable, low level of impairment losses.

Personal customers	1st quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Net interest income	3 277	2 641	636	24.1
Net other operating income	1 123	1 129	(7)	(0.6)
Total income	4 400	3 770	629	16.7
Operating expenses	2 147	2 022	124	6.1
Pre-tax operating profit before impairment	2 253	1 748	505	28.9
Net gains on fixed and intangible assets	(1)	0	(1)	
Impairment of loans and guarantees	77	79	(3)	(3.4)
Pre-tax operating profit	2 175	1 669	506	30.3
Tax expense	587	467	120	25.7
Profit from operations held for sale	0	11	(11)	
Profit for the period	1 588	1 213	375	30.9
Average balance sheet items in NOK billion				
Net loans to customers	659.2	643.1	16.1	2.5
Deposits from customers	347.7	329.5	18.2	5.5
Key figures in per cent				
Lending spread [1]	2.47	2.10		
Deposit spread [1]	(0.59)	(0.58)		
Return on allocated capital [2]	21.4	29.5		
Cost/income ratio	48.8	53.6		
Ratio of deposits to loans	52.7	51.2		

1) *Calculated relative to the 3-month money market rate.*
2) *Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the DNB Group.*

The quarter was characterised by moderate credit growth. Average net loans were up 2.5 per cent from the first quarter of 2013 and increased by 0.5 per cent during the January through March period. Deposits showed a healthy rise of 5.5 per cent from the first quarter of 2013, and the ratio of deposits to net loans rose to 52.7 per cent.

Net interest income showed a healthy trend compared with the first quarter of 2013. The volume-weighted interest rate spread widened by 0.22 percentage points during the period, but contracted by 0.04 percentage points from the fourth quarter of 2013.

Net other operating income was on a level with the first quarter of 2013. Housing sales through DNB Eiendom were stable in the first quarter of 2014 compared with the year-earlier period. At end-March, DNB Eiendom was Norway’s largest real estate broker and had a market share of 19.9 per cent.

The main factors behind the increase in operating expenses from the first quarter of 2013 were higher costs related to severance packages, marketing and IT, as well as costs associated with the integration of Nordlandsbanken into DNB.

A large share of loans to personal customers represents well-secured home mortgages entailing low risk. Net impairment of loans was at a stable level compared with the first quarter of 2013, representing 0.05 per cent of the portfolio. There were no losses on home mortgages in the first quarter of 2014.

Fierce competition for home mortgage customers has affected the market share of credit to households, which stood at 26.4 per cent at end-February 2014, down from 26.5 per cent at end-December 2013. The market share of total household savings was 33.5 per cent at end-February 2014. However, price adjustments and a high level of customer activity are expected to result in higher growth in volumes in the coming period.

In consequence of stricter external capital requirements and the authorities’ signals of additional capital requirements for home mortgages, allocated capital to this segment was adjusted upwards in the first quarter of 2014. This resulted in a lower return on capital compared with the preceding quarters.

The process of facilitating self-service solutions and streamlining operations is continuing. The number of accounts opened by customers themselves online increased by approximately 10 percentage points from end-December 2013, while the number of visits to the Internet banking service using mobile phones and tablets doubled in the first quarter of 2014 compared with the year-earlier period. As part of this process, it has been decided to close four bank branches by mid-June.

Moderate credit growth is anticipated in the market. DNB aspires to record lending growth in the personal customer segment roughly on a level with the market in general, though profitable operations will be given priority over growth. Impairment losses on loans are expected to remain stable at a low level.

Small and medium-sized enterprises

This segment includes the Group's 220 000 small and medium-sized corporate customers.

Pre-tax operating profits came to NOK 881 million in the first quarter of 2014, up NOK 35 million from the first quarter of 2013, reflecting a strong rise in income.

Small and medium-sized enterprises	1st quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Net interest income	1 545	1 480	65	4.4
Net other operating income	394	363	31	8.6
Total income	1 939	1 843	96	5.2
Operating expenses	948	915	33	3.6
Pre-tax operating profit before impairment	991	927	64	6.9
Impairment of loans and guarantees	95	85	10	11.6
Profit from repossessed operations	(15)	4	(19)	
Pre-tax operating profit	881	846	35	4.2
Tax expense	238	237	1	0.5
Profit for the period	643	609	34	5.6
Average balance sheet items in NOK billion				
Net loans to customers	212.2	204.4	7.8	3.8
Deposits from customers	152.1	144.1	8.0	5.6
Key figures in per cent				
Lending spread [1)]	2.75	2.69		
Deposit spread [1)]	(0.16)	(0.10)		
Return on allocated capital [2)]	12.3	12.3		
Cost/income ratio	48.9	49.7		
Ratio of deposits to loans	71.7	70.5		

1) Calculated relative to the 3-month money market rate.

2) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the DNB Group.

The first quarter of 2014 was characterised by a healthy increase in loans to small and medium-sized enterprises. Average net loans to customers rose by 3.8 per cent from the first quarter of 2013. There was a strong increase in deposits of 5.6 per cent, and the ratio of deposits to net loans widened, averaging 71.7 per cent for the quarter.

The increase in net interest income from the first quarter of 2013 was due to a combination of volume growth and wider lending spreads. The positive trend in net other operating income largely reflected greater sales of pension products.

Higher IT expenses were the main factor behind the 3.6 per cent rise in expenses from the first quarter of 2013.

The quality of the loan portfolio is considered to be sound. The close follow-up of customers and preventive measures are vital to ensuring satisfactory quality. Net impairment of loans totalled NOK 95 million in the first quarter of 2014. On an annual basis, this represented 0.18 per cent of net loans. Impairment losses increased by NOK 10 million from the first quarter of 2013, but were still at a relatively low level.

The mobile bank for enterprises was launched in March 2014. Companies that use DNB Connect can automatically access the new service. Simpler and more efficient ordering procedures for eFaktura (e-invoice) were implemented during the quarter.

Moderate credit growth is anticipated in the market, and DNB expects to record lending growth in this segment on a level with the banking market in general. Impairment losses on loans are expected to remain relatively low.

Large corporates and international customers

This segment includes the Group's largest Norwegian corporate customers and all international customers, including customers in the Baltics and Poland. Operations are based on sound industry expertise and long-term customer relationships.

Pre-tax operating profits came to NOK 2 785 million, up NOK 905 million from the first quarter of 2013, reflecting higher income, strict cost control and the reversal of previous collective impairment losses on loans.

Large corporates and international customers	1st quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Net interest income	2 905	2 730	175	6.4
Net other operating income	1 390	1 225	165	13.4
Total income	4 294	3 955	339	8.6
Operating expenses	1 617	1 479	138	9.3
Pre-tax operating profit before impairment	2 677	2 476	201	8.1
Net gains on fixed and intangible assets	0	1	(0)	(51.4)
Impairment of loans and guarantees	(106)	569	(675)	
Profit from repossessed operations	2	(26)	29	
Pre-tax operating profit	2 785	1 881	905	48.1
Tax expense	863	564	299	53.0
Profit for the period	1 922	1 317	605	46.0
Average balance sheet items in NOK billion				
Net loans to customers	469.8	453.5	16.2	3.6
Deposits from customers	379.8	331.2	48.6	14.7
Key figures in per cent				
Lending spread [1)]	2.20	2.13		
Deposit spread [1)]	(0.16)	(0.17)		
Return on allocated capital [2)]	13.9	10.2		
Cost/income ratio	37.7	37.4		
Ratio of deposits to loans	80.8	73.0		

1) Calculated relative to the 3-month money market rate.

2) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the DNB Group.

Loans to customers were up 3.6 per cent from the first quarter of 2013. Adjusted for exchange rate movements, however, there was an underlying reduction in the portfolio of 3.2 per cent, reflecting strategic portfolio adjustments, a more challenging market situation, stronger competition and more active use of the bond market. Compared with the fourth quarter of 2013, lending volumes were down 1.4 per cent after adjusting for exchange rate movements. Deposits rose by 14.7 per cent from the first quarter of 2013, of which approximately 6.5 percentage points can be ascribed to exchange rate movements.

Relative to the 3-month money market rate, average lending spreads were 2.20 per cent, up 0.07 percentage points from the first quarter of 2013 and 0.04 percentage points from the fourth quarter of 2013. Deposit spreads were virtually unchanged compared with both the first and the fourth quarter of 2013.

The rise in net other operating income from the first quarter of 2013 reflected a high level of activity within syndication and debt capital issues, as well as services related to share capital issues, mergers and acquisitions. On the other hand, there was a lower level of activity and reduced income from interest rate hedging due to expectations of a continued low interest rate level. Another positive contributory factor was a rise in income from guarantees and payment transfers.

Operating expenses were up 9.3 per cent from the first quarter of 2013, reflecting a high level of activity and increasing product sales.

Net impairment of loans and guarantees reflected reversals on collective impairment losses, mainly due to developments in the shipping markets. Individual impairment represented 0.18 per cent of net loans to customers. Including reversals on collective impairment losses, the segment recorded net reversals representing 0.09 per cent of net loans. In the first quarter of 2013, individual impairment came to 0.39 per cent of net loans.

The quality of the loan portfolio is considered to be sound. Targeted efforts are being made to retain the level of quality through close follow-up of customers and preventive measures. Net non-performing and doubtful loans and guarantees amounted to NOK 10.6 billion at end-March 2014, which represented a reduction of NOK 3.7 billion from a year earlier and a NOK 4.2 billion reduction from end-December 2013. The changes were mainly attributable to a few large shipping loans which are being closely monitored.

DNB will give priority to strong, long-term and profitable customer relationships and on further developing key customer segments. The Group's wide range of products and expertise will contribute to strengthening customer relationships and form the basis for operations over the coming years. The increasing pressure on spreads is expected to prevail, though repricing in certain segments could help ensure that spreads remain at the current level. Competition for stable customer deposits will prevail and put continued pressure on deposits spreads.

Trading

This segment comprises market making and proprietary trading in fixed income, foreign exchange and commodity products, as well as equities, including the hedging of market risk inherent in customer transactions. Customer activities are supported by trading activities.

Pre-tax operating profits came to NOK 594 million in the first quarter of 2014, up NOK 27 million from the year-earlier period.

Trading	1st quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Net interest income	111	156	(44)	(28.5)
Net other operating income	590	597	(7)	(1.1)
Total income	702	753	(51)	(6.8)
Operating expenses	107	186	(78)	(42.2)
Pre-tax operating profit before impairment	595	567	27	4.8
Net gains on fixed and intangible assets	0	0	0	
Pre-tax operating profit	594	567	27	4.8
Tax expense	160	165	(4)	(2.4)
Profit for the period	434	403	31	7.7
Key figures in per cent				
Cost/income ratio	15.3	24.6		
Return on allocated capital [1)]	21.7	19.6		

1) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the DNB Group.

Revenues from market making and other proprietary trading were NOK 702 million in the first quarter of 2014, which was somewhat lower than in the first quarter of 2013.

Traditional pension products

This segment comprises the portfolio of traditional defined-benefit pension products in DNB Livsforsikring. DNB no longer offers such products to new customers.

Pre-tax operating profits totalled NOK 277 million, down NOK 81 million from the first quarter of 2013.

Traditional pension products	1st quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Upfront pricing of risk and guaranteed rate of return	160	167	(7)	(4.3)
Owner's share of administration result	49	(7)	56	
Owner's share of risk result	23	7	16	213.7
Owner's share of interest result	(169)	21	(190)	
Return on corporate portfolio	205	170	35	20.9
Pre-tax operating profit	277	359	(81)	(22.7)
Tax expense	2	14	(13)	(87.3)
Profit for the period	276	344	(69)	(19.9)
Key figures in per cent				
Cost/income ratio	36.2	38.8		
Return on allocated capital [1)]	6.9	8.5		

1) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the DNB Group.

As part of the upward adjustment of life expectancy assumptions, it will be necessary to strengthen the premium reserve for group pensions over the coming years. The total required increase in reserves is NOK 13.3 billion. NOK 7.3 billion had been set aside as at 31 March 2014, of which NOK 1.7 billion represented proposed provisions for the first quarter.

In March 2014, the Ministry of Finance reached a conclusion regarding the compulsory build-up of reserves and escalation plans for group pensions. It will be possible to use returns in excess of the guaranteed rate of return to cover the required increase in reserves. However, it will not be possible to use excess returns on one contract to strengthen reserves on other contracts. The shareholder contribution for each contract must be minimum 20 per cent, and a period of maximum seven years can be used to build up the reserves, starting in 2014. The shareholder contribution as a percentage of the total increase in reserves will be affected by the average return achieved during the 2014-2020 period. However, the anticipated consequence of the latest clarifications is that DNB will have to cover approximately 29 per cent of the total required increase in reserves, provided that the expected return is achieved. DNB's share of the reserves will represent approximately NOK 3.8 billion, which corresponds to NOK 0.5 billion per year during the seven year period.

With respect to public sector operations, the build-up of reserves must be completed by end-December 2016, or at the time the individual customers transfer their portfolios.

DNB Livsforsikring is expected to be adequately capitalised even after the latest clarifications, and according to the company's plans, it is well on the way to reaching a solvency ratio above 100 per cent as of January 2016, when Solvency II will be implemented.

Key elements of the proposed changes in the regulatory framework for Norwegian life insurance companies were clarified in the course of 2013. In response to both the amended regulatory framework and customer preferences, guaranteed return products are expected to be converted to products where the customer can choose between different investment profiles.

Funding, liquidity and balance sheet

The short-term funding markets were generally sound for banks with good credit ratings in the first quarter of 2014, and DNB had ample access to short-term funding. The markets were gradually returning to normal, and European investors showed greater interest in raising funding.

In the long-term funding markets, there was also a strong supply of capital throughout the quarter. There was generally greater demand from investors, while a number of issuers had less need for issuing bonds. This resulted in a healthy price trend for both senior bonds and covered bonds.

Debt securities issued by the Group totalled NOK 745 billion at end-March 2014 and NOK 690 billion a year earlier. The average remaining term to maturity for the portfolio of debt securities issued was 4.5 years at end-March 2014, compared with 4.6 years a year earlier.

In order to keep the Group's liquidity risk at a low level, short-term and long-term liquidity risk limits have been established. These are consistent with the Basel III calculation methods. Among other things, this implies that customer loans are generally financed through customer deposits, long-term securities and primary capital. The Group stayed well within the liquidity limits during the quarter. The short-term liquidity requirement, Liquidity Coverage Ratio, LCR, remained stable at above 100 per cent throughout the first quarter. At end-March 2014, the total LCR was 114 per cent. The LCRs for liquid assets in euros and US dollars were 126 per cent and 156 per cent, respectively.

At end-March 2014, total combined assets in the DNB Group were NOK 2 740 billion, an increase from NOK 2 718 billion at end-March 2013. Total assets in the Group's balance sheet were NOK 2 483 billion as at 31 March 2014 and NOK 2 499 billion a year earlier. Total assets in DNB Livsforsikring came to NOK 283 billion both at end-March 2014 and a year earlier.

Net loans to customers increased by NOK 28.7 billion or 2.2 per cent from end-March 2013. There was a rise in customer deposits of NOK 11.1 billion or 1.3 per cent during the same period. The ratio of customer deposits to net loans to customers declined from 67.6 per cent at end-March 2013 to 67.0 per cent a year later, which is well within the Group's minimum 60 per cent ambition.

Macroeconomic developments

International economic growth increased somewhat through 2013. However, there were large differences between individual countries and regions. Among Norway's major trading partners, economic growth increased markedly in the US and Great Britain. The Swedish economy experienced an upswing towards the end of 2013, while the Danish economy has shown hardly any growth after the financial crisis. In the eurozone, there was a rise in GDP during the last three quarters of 2013, and unemployment stabilised at approximately 12 per cent. Economic growth remained sluggish, though the recession appears to be over. The crisis-ridden countries in Southern Europe have also recorded a recent slight increase in GDP, though high debt levels in both the private and public sectors put a damper on growth. The Baltics experienced slowing growth in 2013, but a gradual rise in international demand will have positive effects in the period ahead. The picture is mixed among emerging economies. In Brazil and Russia, growth has slowed significantly, while growth has rebounded in India and remained stable in China.

According to various business sentiment indicators, there will be continued economic growth in both Europe and the US. Consumer confidence has picked up in Europe, and the increase in manufacturing output indicates sustained growth in both Europe and the US. This trend is positive for the Norwegian export industry, as these regions represent its key markets.

In February, companies in Norges Bank's regional network reported moderate growth. Within petroleum-related manufacturing and the building and construction industry, production growth slowed down. However, the depreciation of the Norwegian krone and increased public investment contributed to higher production volumes for other manufacturing and commercial services. The companies expect growth to edge up in both the second and third quarter of 2014, but to remain moderate.

The parties in the wage negotiations for the manufacturing industry reached agreement in early April, and wage growth, including local pay increases, is estimated to be 3.3 per cent. This is below the level for the past few years, but still higher than in most peer countries. Private consumption increased moderately in 2013 parallel to a further rise in the savings rate. After stagnating for two months, however, there was a pronounced increase in Norwegian retail trade and goods consumption in February and March. The underlying trend has not been stronger since May 2013. Unemployment levels, which rose during last year, have stabilised since November 2013.

After showing a downward trend in the autumn of 2013, housing prices are once again on the increase. Continued relatively high population growth, stable unemployment levels, moderate house-building activity and prospects of continued low interest rate levels point to a further rise in housing prices. Relatively high housing prices and moderate wage growth point to the contrary.

Risk and capital adequacy

Norwegian economic growth slowed in 2013, even though the rate of growth picked up during the second half of the year. The Norwegian business community anticipates continued growth throughout 2014.

In the housing market, key economic drivers are expected to be positive in 2014, and persistent growth will help maintain the low risk level in DNB's home mortgage portfolio.

Due to the Ukraine unrest, developments in the Baltics and Poland were affected by uncertainty. All four countries are dependent on energy supplies from Russia, and developments in the Russian economy and Russian imports and exports have a pronounced impact on activity levels. However, DNB's direct exposure to Russia is limited and transparent. In consequence of a change in the Group's long-term strategy, DNB Bank ASA has signed an agreement to sell its total operation in Russia.

The DNB Group quantifies risk by measuring risk-adjusted capital requirements. The capital requirement increased by NOK 2 billion from end-December 2013, to NOK 76.1 billion.

Developments in the risk-adjusted capital requirement

Amounts in NOK billion	31 March 2014	31 Dec. 2013	31 March 2013	31 Dec. 2012
Credit risk	53.4	57.2	58.9	59.1
Market risk	9.3	8.2	7.9	7.9
Market risk in life insurance	13.5	10.2	16.9	9.8
Insurance risk in life insurance	1.0	1.0	1.0	1.0
Non-life insurance	0.9	0.9	0.8	0.8
Operational risk	10.7	10.7	10.3	9.8
Business risk	6.8	4.8	4.8	4.9
Gross risk-adjusted capital requirement	95.6	93.2	100.7	93.1
Diversification effect [1]	(19.5)	(19.0)	(19.8)	(16.5)
Net risk-adjusted capital requirement	76.1	74.1	80.9	76.6
Diversification effect in per cent of gross risk-adjusted capital requirement [1]	20.4	20.4	19.6	17.7

1) The diversification effect refers to the risk-mitigating effect achieved by the Group by having operations which are affected by different types of risk where unexpected losses are unlikely to occur at the same time.

The risk-adjusted capital requirement for credit declined by NOK 3.9 billion from the fourth quarter of 2013, reflecting improved quality in the credit portfolios and reduced shipping exposure. There was stable, sound credit quality in most areas. The volume of non-performing loans and guarantees was reduced by NOK 4.3 billion during the quarter.

The quality of the shipping portfolio improved, though there were still challenges. DNB still anticipates a gradual upturn in most shipping markets through 2014 and 2015. In the offshore segment, especially the rig segment, reduced growth is expected in oil companies' investments. Developments in the offshore supplier industry are subject to special follow-up. Investment levels on the Norwegian shelf remain strong, and no reduction is expected until 2015 at the earliest. The Norwegian krone has depreciated significantly over the past year, which has improved conditions for traditional export industries.

Risk-adjusted capital for market risk was up NOK 1.1 billion from the fourth quarter of 2013, reflecting an increase in equity investments, partly due to revaluations.

Market risk in life insurance rose by NOK 3.3 billion during the first quarter. The equity exposure in the common portfolio was increased by 2.8 percentage points to 10.6 per cent. Risk was somewhat reduced in consequence of the NOK 0.5 billion increase in the buffer capital during the quarter.

A new calculation has been made of risk-adjusted capital for business risk at end-March 2014, resulting in a NOK 2 billion increase for the quarter.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement declined by NOK 1.6 billion from end-December 2013, to NOK 1 087.5 billion. In the first quarter of 2014, risk-weighted volume could not be less than 80 per cent of the corresponding figure calculated according to the Basel I regulations. The common equity Tier 1 capital ratio was 11.9 per cent, while the capital adequacy ratio was 14.2 per cent, including 50 per cent of interim profits. Under Basel III, based on the Group's interpretation of the draft regulations, the common equity Tier 1 capital ratio would have been 14.2 per cent at end-March 2014.

New regulatory framework

The European Parliament and the member countries have agreed to establish a central resolution authority for banks, the Single Resolution Mechanism, SRM. In addition, it has been decided to establish a Single Resolution Fund, SRF, which will be funded by contributions from the banking sector. The crisis management mechanism will thus be operative at approximately the same time as the Single Supervisory Mechanism for banks, SSM, towards the end of 2014. The SRM will formally enter into force as of 1 January 2015, while the so-called bail-in and resolution functions will apply as of 1 January 2016. The SRF will be built up in the course of eight years, at which time the fund is estimated to total approximately EUR 55 billion and cover minimum 1 per cent of covered deposits.

The Norwegian crisis management system has a number of similarities with the new system that will be introduced through the EU regulations. The new EU regulations will nevertheless require extensive changes in the Norwegian framework, including the rules on public administration and the role of the Norwegian Banks' Guarantee Fund. Norway has one of the best capitalised guarantee funds in Europe and already satisfies, with a good margin, the requirements for a deposit guarantee fund and a resolution fund that together represent 1.8 per cent of covered deposits. At year-end 2013, the Guarantee Fund had total equity of NOK 26.4 billion, which corresponded to 2.7 per cent of covered deposits. It will be important for the industry to ensure that these funds can be used to meet the minimum requirements for both a deposit guarantee fund and a resolution fund. The Banking Law Commission is already in the process of preparing a report on how the Bank Recovery and Resolution Directive and the Deposit Guarantee Scheme Directive can be implemented in Norway.

On 27 March 2014, the Ministry of Finance sent a letter to Finanstilsynet (the Financial Supervisory Authority of Norway) on escalation plans and the use of excess returns to cover compulsory provisions due to the higher life expectancy of policyholders and resulting longer pension disbursement periods. The Ministry of Finance agrees with Finanstilsynet that it should not be possible to use excess returns on one contract to strengthen reserves on other contracts and that the pension suppliers' contribution of minimum 20 per cent of the required increase in reserves shall therefore be allocated to each contract. The escalation period has been increased from five to seven years. A seven-year escalation period is much shorter than the ten to fifteen years which the industry has documented to be reasonable and which entail a shareholder contribution of 20 per cent. For paid-up policies in particular, the short period for building up reserves will mean that the shareholder contribution will be significantly higher than today.

Future prospects

According to current economic forecasts, a cautious recovery is expected in both the Norwegian and the international economy during the remainder of 2014. The level of income is expected to help the Group build up Tier 1 capital in accordance with the authorities' requirements, even after the interest rate reductions announced in April. Volume-weighted spreads are expected to be stable in 2014. Lending volumes are expected to increase at an annual rate of 3 to 4 per cent, with slightly higher growth in lending to personal customers and small and medium-sized enterprises and more subdued lending growth in the large corporate segments. An increase in income from capital-light products is anticipated, while expenses are gradually expected to be kept flat, excluding restructuring expenses, in the period up to 2016. Furthermore, credit quality is expected to improve, while losses are expected to be below the normalised level in 2014. The long-term tax rate is still estimated to be approximately 26 per cent, while the tax rate for 2014 is expected to be approximately 24 per cent. DNB is well capitalised, but will build additional capital organically in accordance with the authorities' requirements.

In order to meet the Group's target of a return on equity above 12 per cent and the Tier 1 capital requirement of 13.5-14.0 per cent, capital will be actively allocated to the areas that generate the highest returns. In order to maintain long-term profitability, DNB also needs to ensure good customer experiences.

Oslo, 7 May 2014
The Board of Directors of DNB ASA

Anne Carine Tanum
(chairman)

Tore Olaf Rimmereid
(vice-chairman)

Jarle Bergo

Bente Brevik

Sverre Finstad

Carl A. Løvvik

Vigdis Mathisen

Berit Svendsen

Rune Bjerke
(group chief executive)

Income statement

Amounts in NOK million	Note	1st quarter 2014	1st quarter 2013	Full year 2013
		DNB Group		
Total interest income	4	15 196	14 600	60 404
Total interest expenses	4	7 504	7 743	30 212
Net interest income	4	**7 691**	**6 857**	**30 192**
Commission and fee income etc.	5	2 848	2 511	10 916
Commission and fee expenses etc.	5	663	555	2 379
Net gains on financial instruments at fair value	6	2 089	1 063	5 032
Net financial result, DNB Livsforsikring		(30)	194	554
Net risk result, DNB Livsforsikring		135	26	467
Net insurance result, DNB Skadeforsikring		102	75	418
Profit from investments accounted for by the equity method	7	107	74	362
Net gains on investment property	17	13	12	(86)
Other income	8	277	281	1 144
Net other operating income		**4 877**	**3 682**	**16 427**
Total income		**12 569**	**10 539**	**46 619**
Salaries and other personnel expenses	9, 10	2 710	2 639	11 307
Other expenses	9	1 944	2 316	7 850
Depreciation and impairment of fixed and intangible assets	9	538	529	2 719
Total operating expenses	9	**5 192**	**5 485**	**21 875**
Pre-tax operating profit before impairment		**7 377**	**5 054**	**24 744**
Net gains on fixed and intangible assets		(0)	4	151
Impairment of loans and guarantees	13	80	737	2 185
Pre-tax operating profit		**7 297**	**4 321**	**22 709**
Tax expense		1 758	1 149	5 188
Profit from operations held for sale, after taxes		(19)	10	4
Profit for the period		**5 519**	**3 181**	**17 526**
Earnings/diluted earnings per share (NOK)		3.39	1.96	10.76
Earnings per share excluding operations held for sale (NOK)		3.41	1.95	10.76

Comprehensive income statement

Amounts in NOK million	1st quarter 2014	1st quarter 2013	Full year 2013
	DNB Group		
Profit for the period	**5 519**	**3 181**	**17 526**
Actuarial gains and losses, net of tax [1]	(294)	0	(469)
Property revaluation	10	(3)	124
Elements of other comprehensive income allocated to customers (life insurance)	(10)	3	(124)
Other comprehensive income that will not be reclassified to profit or loss, net of tax	(294)	0	(469)
Currency translation of foreign operations	(861)	730	3 478
Hedging of net investment, net of tax	501	(608)	(2 425)
Other comprehensive income that may subsequently be reclassified to profit or loss, net of tax	(360)	122	1 053
Other comprehensive income for the period	**(654)**	**122**	**584**
Comprehensive income for the period	**4 865**	**3 304**	**18 110**

1) *The discount rate used to calculate recorded pension commitments at end-March 2014 was determined by reference to the estimated yield on covered bonds as at 31 March 2014. There was a reduction in the yield from 31 December 2013. A corresponding reduction has been reflected in the assumptions for salary increases and increases in the National Insurance basic amount. Net actuarial losses at end-March 2014 thus totalled NOK 294 million after tax.*

Balance sheet

Amounts in NOK million	Note	DNB Group 31 March 2014	31 Dec. 2013 [1]	31 March 2013 [1]
Assets				
Cash and deposits with central banks		363 330	167 171	397 835
Due from credit institutions	11, 12	53 845	180 882	65 459
Loans to customers	11, 12, 14, 15	1 343 832	1 340 831	1 315 104
Commercial paper and bonds at fair value	12, 16	280 730	277 764	267 397
Shareholdings	12	33 477	29 826	29 036
Financial assets, customers bearing the risk	12	36 602	35 512	30 059
Financial derivatives	12	134 188	130 939	142 676
Commercial paper and bonds, held to maturity	11, 16	148 491	152 883	155 362
Investment property	17	31 456	32 485	33 220
Investments accounted for by the equity method		5 919	5 802	5 260
Intangible assets	18	6 363	6 511	6 774
Deferred tax assets		1 065	1 104	1 276
Fixed assets		13 383	12 498	11 006
Assets held for sale		252	225	150
Other assets		29 857	30 806	38 140
Total assets		**2 482 789**	**2 405 239**	**2 498 756**
Liabilities and equity				
Due to credit institutions	11, 12	257 435	234 219	336 528
Deposits from customers	11, 12	900 180	867 904	889 043
Financial derivatives	12	108 474	111 310	112 782
Debt securities issued	11, 12, 19	745 055	711 555	689 923
Insurance liabilities, customers bearing the risk		36 602	35 512	30 059
Liabilities to life insurance policyholders in DNB Livsforsikring		221 564	230 906	226 367
Insurance liabilities, DNB Skadeforsikring		2 076	1 958	2 116
Payable taxes		1 729	3 277	8 232
Deferred taxes		3 207	2 654	1 280
Other liabilities		27 861	31 934	47 644
Liabilities held for sale		89	53	30
Provisions		1 133	1 454	1 280
Pension commitments		4 343	4 001	4 055
Subordinated loan capital	11, 12, 19	26 100	26 276	18 610
Total liabilities		**2 335 849**	**2 263 012**	**2 367 948**
Share capital		16 263	16 278	16 270
Share premium reserve		22 609	22 609	22 609
Other equity		108 069	103 340	91 929
Total equity		**146 941**	**142 227**	**130 807**
Total liabilities and equity		**2 482 789**	**2 405 239**	**2 498 756**
Off-balance sheet transactions, contingencies and post-balance sheet events	23			

1) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*

Statement of changes in equity

DNB Group

Amounts in NOK million	Share capital [1)]	Share premium reserve	Actuarial gains and losses	Property revaluation reserve	Currency translation reserve	Net invest-ment hedge reserve	Other equity [1)]	Total equity [1)]
Balance sheet as at 31 December 2012	**16 269**	**22 609**	**(678)**	**0**	**(2 079)**	**1 306**	**90 066**	**127 492**
Profit for the period							3 181	3 181
Other comprehensive income			0	42	730	(608)		165
OCI allocated to customers (life insurance)				(42)				(42)
Comprehensive income for the period	0	0	0	0	730	(608)	3 181	3 304
Currency translation reserve taken to income					(6)		6	0
Change of reporting currency DNB Invest Denmark					7		(7)	0
Net purchase of treasury shares	1						11	12
Balance sheet as at 31 March 2013	**16 270**	**22 609**	**(678)**	**0**	**(1 347)**	**698**	**93 256**	**130 807**
Balance sheet as at 31 December 2013	**16 278**	**22 609**	**(1 147)**	**0**	**1 404**	**(1 119)**	**104 201**	**142 227**
Profit for the period							5 519	5 519
Other comprehensive income			(294)	10	(861)	501		(644)
OCI allocated to customers (life insurance)				(10)				(10)
Comprehensive income for the period	0	0	(294)	0	(861)	501	5 519	4 865
Net purchase of treasury shares	(15)						(136)	(151)
Balance sheet as at 31 March 2014	**16 263**	**22 609**	**(1 442)**	**0**	**543**	**(618)**	**109 585**	**146 941**

1) Of which treasury shares, held by DNB Markets for trading purposes:

	Share capital	Other equity	Total equity
Balance sheet as at 31 December 2013	*(10)*	*(97)*	*(107)*
Net purchase of treasury shares	*(15)*	*(136)*	*(151)*
Reversal of fair value adjustments through profit and loss		*(2)*	*(2)*
Balance sheet as at 31 March 2014	*(25)*	*(235)*	*(260)*

Cash flow statement

Amounts in NOK million	DNB Group 1st quarter 2014	 1st quarter 2013	 Full year 2013
Operating activities			
Net payments on loans to customers	(7 844)	(6 415)	(11 368)
Interest received from customers	13 305	12 375	53 483
Net receipts on deposits from customers	34 187	68 345	29 904
Interest paid to customers	(1 260)	(1 539)	(15 336)
Net receipts/payments on loans to credit institutions	153 845	67 236	(158 476)
Interest received from credit institutions	422	209	1 375
Interest paid to credit institutions	(805)	(556)	(2 368)
Net receipts/payments on the sale of financial assets for investment or trading	5 653	(20 097)	20 257
Interest received on bonds and commercial paper	1 761	1 053	4 998
Net receipts on commissions and fees	2 218	1 741	7 376
Payments to operations	(4 750)	(4 229)	(19 285)
Taxes received/paid	(3 598)	111	(7 648)
Receipts on premiums	6 076	7 048	21 098
Net payments on premium reserve transfers	(14 236)	(1 540)	(1 338)
Payments of insurance settlements	(3 712)	(3 630)	(14 523)
Other receipts/payments	(4 186)	9 052	(5 016)
Net cash flow from operating activities	**177 076**	**129 163**	**(96 866)**
Investment activities			
Net payments on the acquisition of fixed assets	(531)	(661)	(3 881)
Net receipts, investment property	849	842	1 061
Receipts on the sale of long-term investments in shares	0	436	642
Payments on the acquisition of long-term investments in shares	0	0	(16)
Dividends received on long-term investments in shares	101	0	319
Net cash flow from investment activities	**419**	**617**	**(1 875)**
Funding activities			
Receipts on issued bonds and commercial paper	297 477	217 419	996 386
Payments on redeemed bonds and commercial paper	(263 704)	(241 835)	(1 031 094)
Interest payments on issued bonds and commercial paper	(4 422)	(4 005)	(12 219)
Receipts on the raising of subordinated loan capital	0	0	7 528
Redemptions of subordinated loan capital	0	(2 259)	(3 709)
Interest payments on subordinated loan capital	(508)	(353)	(749)
Dividend payments	0	0	(3 420)
Net cash flow from funding activities	**28 843**	**(31 033)**	**(47 277)**
Effects of exchange rate changes on cash and cash equivalents	**(7 006)**	**11 514**	**13 934**
Net cash flow	**199 331**	**110 262**	**(132 085)**
Cash as at 1 January	172 162	304 247	304 247
Net receipts/payments of cash	199 331	110 262	(132 085)
Cash at end of period *)	371 493	414 509	172 162
**) Of which: Cash and deposits with central banks*	*363 330*	*397 835*	*167 171*
Deposits with credit institutions with no agreed period of notice 1)	*8 164*	*16 673*	*4 991*

1) Recorded under "Due from credit institutions" in the balance sheet.

The cash flow statement shows receipts and payments of cash and cash equivalents during the period. The statement has been prepared in accordance with the direct method. Cash flows are classified as operating activities, investment activities or funding activities. Balance sheet items are adjusted for the effects of exchange rate movements. Cash is defined as cash and deposits with central banks, and deposits with credit institutions with no agreed period of notice.

Note 1 Accounting principles

The first quarter accounts 2014 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 2013. The annual and interim accounts for the Group are prepared according to IFRS principles as endorsed by the EU.

As of the first quarter of 2014, DNB Livsforsikring and DNB Skadeforsikring are presented on three lines in the consolidated income statement, as opposed to six lines in previous periods. The current three lines are Net financial result, DNB Livsforsikring; Net risk result, DNB Livsforsikring and Net insurance result, DNB Skadeforsikring. In addition, the presentation of income from DNB Eiendomsmegling has been changed. As from the first quarter of 2014, such income is recorded under net commission and fee income, and is no longer recorded in other income. Comparable figures are changed accordingly.

New or amended accounting standards or interpretations that enter into force in the first quarter of 2014 and are of significance to the Group, are described below. The new rules were implemented by the Group as of 1 January 2014.

IFRS 10 Consolidated Financial Statements

The standard will replace the parts of IAS 27 which address consolidated financial statements and also include structured units, which were previously addressed in SIC – 12 Consolidation - Special Purpose Entities.

IFRS 10 establishes a control model which applies to all companies. The definition of control is different from that used in IAS 27. Control exists if the investor has power over the investee, is exposed, or has rights, to variable returns from the investee and has the ability to use its power to direct the activities of the investee that significantly affect returns. Potential voting rights, options, convertible debt and other aspects should also be taken into account.

The new standard will require increased judgement when assessing which entities are controlled by the company. Due to the new definition of control, certain mutual funds have been consolidated in the Group's balance sheet. This primarily applies to funds owned by DNB Livsforsikring and managed by DNB Asset Management. The table below shows comparable figures for 2013 with implementation effect on 1 January 2013.

IFRS 11 Joint Arrangements

The standard will replace IAS 31 Interests in Joint Ventures and SIC – 13 Jointly-controlled Entities - Non-monetary Contributions by Venturers, and eliminates proportionate consolidation of joint ventures.

The standard identifies two categories of joint control (joint arrangements): joint ventures and joint operations. When consolidating joint ventures, the equity method should be applied. For joint operations, the parties should recognise their rights to assets and liabilities in their balance sheets and recognise their share of income and costs incurred jointly in their income statements.

In consequence of the implementation of the new standard, some minor ownership interests within real estate that were previously accounted for using the proportionate consolidation, are now presented according to the equity method in the consolidated balance sheet. The table below shows comparable figures for 2013 with implementation effect on 1 January 2013.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 applies to companies which have interests in subsidiaries, jointly controlled operations, associated companies and structured entities. The standard replaces all of the disclosure requirement that were previously in IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investment in Associates and IAS 31 Interests In Joint Ventures. In addition, a number of new disclosure requirements to, among others, IFRS 10 and IFRS 11, are introduced. The changes in the rules will only affect the presentation of note information in the annual report for 2014.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to the standard clarify the rules on presenting financial assets and liabilities on a net basis. The new rules had no material impact on the offsetting of financial assets and liabilities in the accounts.

Revised IAS 27 Separate Financial Statements and IAS 28 Investment in Associates and Joint Ventures

In consequence of the introduction of IFRS 10, 11 and 12, the IASB has made amendments to IAS 27 and IAS 28 to harmonise the standards with the new accounting standards. Following the revision, IAS 27 only regulates the separate financial statements, while IAS 28 regulates investments in both associated companies and joint ventures which are required to be accounted for using the equity method.

Amendments to IAS 36 Impairment of assets

The amendment requires disclosure of the recoverable amount on assets that have been impaired if this is based on fair value less the cost of sales. The change must be viewed in the context of IFRS 13 Fair Value Measurement, and removes the unintended consequences of IFRS 13 on the disclosures required under IAS 36. The changes in the standard have no material impact on the accounts.

Note 1 Accounting principles (continued)

Amendments to IAS 39 Financial Instruments: Recognition and Measurement

IASB has decided to amend the rules of hedge accounting. The amendments allow hedge accounting to be continued when derivatives are novated to effect clearing with a central counterparty (CCP) as a result of laws or regulations, if specific conditions are met. These amendments are also included in IFRS 9. The changes in the standard have no material impact on the accounts.

Balance sheet [1] — **DNB Group**

	31 December 2013			31 March 2013			1 January 2013		
Amounts in NOK million	Reported	Effect IFRS 10/11	Restated	Reported	Effect IFRS 10/11	Restated	31 Dec. 2012 Reported	Effect IFRS 10/11	Restated
Investment property	33 331	(846)	32 485	33 761	(541)	33 220	39 496	(889)	38 607
Shareholdings	47 252	(17 426)	29 826	56 906	(27 870)	29 036	48 288	(20 988)	27 300
Commercial paper and bonds	260 338	17 426	277 764	239 527	27 870	267 397	224 750	20 988	245 738
Profit from companies accounted for by the equity method	3 113	2 689	5 802	2 962	2 298	5 260	2 882	2 394	5 276
Other assets	16 847	13 959	30 806	23 124	15 016	38 140	14 200	7 369	21 569
Other liabilities	16 132	15 801	31 934	30 871	16 773	47 644	18 451	8 873	27 325

1) *The new rules have had no impact on the Group's income statement, equity or capital adequacy.*

Note 2 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 carrying amounts 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 2013.

Note 3 Segments

Financial governance in DNB is geared to the different customer segments. The follow-up of total customer relationships and segment profitability are two important dimensions when making strategic priorities and deciding where to allocate the Group's resources. Special product areas are responsible for production and development for parts of the product range and for ensuring that the Group meets the needs of the various customer segments. Reported figures for the different segments will reflect the Group's total sales of products and services to the relevant customer segments.

Personal customers	-	includes the Group's total products and activities to private customers in all channels, both digital and physical. DNB offers a wide range of products through Norway's largest distribution network, comprising branches, telephone banking (24/7), digital banking, real estate broking as well as external channels (post offices and in-store postal and banking outlets).
Small and medium-sized enterprises	-	is responsible for product sales and advisory services to small and medium-sized enterprises in Norway. DNB aspires to be a local bank for the whole of Norway, while offering the products and expertise of a large bank. Customers in this segment range from small businesses and start-up companies to relatively large corporate customers, and the product offerings are adapted to the customers' different needs. Small and medium-sized enterprises are served through the Group's large physical distribution network throughout Norway as well as digital and telephone banking (24/7).
Large corporates and international customers	-	includes large Norwegian and international corporate customers and all customers served by DNB's subsidiary banks in the Baltics and Poland. Operations are based on sound industry expertise and long-term customer relationships.
Trading	-	includes market making and other trading activities in fixed income, currencies and commodities (FICC) as well as equities, including risk management of the risk inherent in customer transactions. Markets' trading activities support the customer activities.
Traditional pension products	-	includes traditional defined-benefit pension products in DNB Livsforsikring. DNB no longer offers such products to new customers.

The income statement and balance sheet for the segments have been prepared on the basis of internal financial reporting for the functional organisation of the DNB Group into segments, as reported to group management (chief operating decision maker) for an assessment of current developments and the allocation of resources. Figures for the segments are based on DNB's management model and the Group's accounting principles. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between segments and are based on a number of assumptions, estimates and discretionary distributions.

Capital allocated to the segments is calculated on the basis of the Group's common equity Tier 1 capital and long-term capitalisation ambition. There are special capital adequacy regulations for insurance operations, and in these companies, allocated capital corresponds to recorded equity. For other group operations, the allocation of capital to all units is based on the Group's adaptation to Basel II, full IRB, and the capital allocated in 2014 corresponds to a common equity Tier 1 capital ratio of 12.9 per cent. The allocation of credit risk is based on the Group's internal measurement of risk-adjusted capital requirements for credit. Capital requirements for market risk are allocated directly in accordance with risk-weighted volume, and operational risk is allocated based on the respective units' total income.

Income statement

DNB Group

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products [1]		Other operations/ eliminations [2]		DNB Group	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
Amounts in NOK million	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net interest income - ordinary operations	3 158	2 563	1 460	1 388	2 680	2 489	77	117	0	0	315	301	7 691	6 857
Interest on allocated capital [3]	119	78	85	93	224	241	34	39	0	0	(462)	(451)	0	0
Net interest income	3 277	2 641	1 545	1 480	2 905	2 730	111	156	0	0	(147)	(150)	7 691	6 857
Net other operating income	1 123	1 129	394	363	1 390	1 225	590	597	435	586	946	(218)	4 877	3 682
Total income	4 400	3 770	1 939	1 843	4 294	3 955	702	753	435	586	799	(368)	12 569	10 539
Operating expenses	2 147	2 022	948	915	1 617	1 479	107	186	158	227	215	655	5 192	5 485
Pre-tax operating profit before impairment	2 253	1 748	991	927	2 677	2 476	595	567	277	359	584	(1 023)	7 377	5 054
Net gains on fixed and intangible assets	(1)	0	(0)	(0)	0	1	0	0	0	0	1	4	(0)	4
Impairment of loans and guarantees [4]	77	79	95	85	(106)	569	0	0	0	0	14	4	80	737
Profit from repossessed operations	0	0	(15)	4	2	(26)	0	0	0	0	13	23	0	0
Pre-tax operating profit	2 175	1 669	881	846	2 785	1 881	594	567	277	359	583	(1 000)	7 297	4 321
Tax expense	587	467	238	237	863	564	160	165	2	14	(93)	(298)	1 758	1 149
Profit from operations held for sale, after taxes	0	11	0	0	0	0	0	0	0	0	(19)	(2)	(19)	10
Profit for the period	1 588	1 213	643	609	1 922	1 317	434	403	276	344	657	(704)	5 519	3 181

1) *See the tables below for more information about Traditional pension products.*
2) *See the tables below for more information about other operations/eliminations.*
3) *Allocated capital corresponds to the external capital adequacy requirement (Basel II) which must be met by the Group. In consequence of stricter external capital requirements and the authorities' signals of additional capital requirements for home mortgages, allocated capital to Personal customers was adjusted upwards in the first quarter of 2014.*
4) *See note 13 Impairment of loans and guarantees for an analysis of the gross change in impairment for the Group.*

Note 3 Segments (continued)

Main average balance sheet items

DNB Group

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products		Other operations/ eliminations		DNB Group	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
Amounts in NOK billion	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Loans to customers [1]	659.2	643.1	212.2	204.4	469.8	453.5	3.4	2.2			(1.3)	0.0	1 343.3	1 303.2
Deposits from customers [1]	347.7	329.5	152.1	144.1	379.8	331.2	132.7	69.6			(7.8)	(3.8)	1 004.5	870.6
Assets under management	63.1	58.8	45.4	35.6	195.9	166.4			226.6	232.0	2.5	19.0	539.2	492.8
Allocated capital [2]	30.0	16.7	21.1	20.0	56.2	52.6	8.1	8.3	16.3	16.4				

Key figures

DNB Group

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products		Other operations		DNB Group	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
Per cent	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Cost/income ratio [3]	48.8	53.6	48.9	49.7	37.7	37.4	15.3	24.6	36.2	38.8			41.3	52.0
Ratio of deposits to loans [1) 4)]	52.7	51.2	71.7	70.5	80.8	73.0							74.8	66.8
Return on allocated capital, annualised [2]	21.4	29.5	12.3	12.3	13.9	10.2	21.7	19.6	6.9	8.5			14.9	10.9

1) *Loans to customers include accrued interest, impairment and value adjustments. Correspondingly, deposits from customers include accrued interest and value adjustments.*
2) *Allocated capital for the segments are calculated on the external capital adequacy requirement (Basel II) which must be met by the Group. Recorded capital is used for the Group. In consequence of stricter external capital requirements and the authorities' signals of additional capital requirements for home mortgages, allocated capital to Personal customers was adjusted upwards in the first quarter of 2014. This resulted in a lower return on capital compared with the preceding quarters.*
3) *Total operating expenses relative to total income.*
4) *Deposits from customers relative to loans to customers. Calculated on the basis of average balance sheet items.*

Traditional pension products

The risk profile of traditional pension products is different by nature from the risk profile of the Group's bank-related products. Higher life expectancy is one of several risk factors linked to defined-benefit pension products. In the tables below, a specification is given of pre-tax operating profits, including the costs related to the increase in reserves to reflect higher life expectancy.

Specification of pre-tax operating profit, Traditional pension products — **DNB Group**

Amounts in NOK million	1st quarter 2014	1st quarter 2013	Full year 2013
Recorded interest result	1 686	480	2 066
Risk result	122	14	321
Administration result	82	6	124
Upfront pricing of risk and guaranteed rate of return	160	167	682
Provisions for higher life expentancy, group pension [1]	1 709	414	1 798
Allocations to policyholders, products with guaranteed returns	269	64	355
Return on coprorate portfolio	205	170	559
Pre-tax operating profit - Traditional pension products	277	359	1 599

1) *Provisions for higher life expentancy, group pension:*

Amounts in NOK million	*Accumulated balance 31 March 2014*	*1st quarter 2014*	*1st quarter 2013*	*Full year 2013*
Paid-up policies [*]	*2 167*	*754*	*53*	*366*
Defined benefit	*5 126*	*955*	*361*	*1 432*
Total group pension	*7 294*	*1 709*	*414*	*1 798*
**) Of which attributable to the owner*		*393*	*12*	*56*

Note 3 Segments (continued)

Other operations/eliminations

DNB Group

Amounts in NOK million	Eliminations 1)		Group units 2)		Total	
	1st quarter		1st quarter		1st quarter	
	2014	2013	2014	2013	2014	2013
Net interest income - ordinary operations	(8)	(11)	324	312	315	301
Interest on allocated capital 3)	0	0	(462)	(451)	(462)	(451)
Net interest income	(8)	(11)	(139)	(139)	(147)	(150)
Net other operating income	(357)	(331)	1 303	113	946	(218)
Total income	(365)	(342)	1 164	(26)	799	(368)
Operating expenses	(365)	(342)	581	997	215	655
Pre-tax operating profit before impairment	0	0	584	(1 023)	584	(1 023)
Net gains on fixed and intangible assets	0	0	1	4	1	4
Impairment of loans and guarantees 4)	0	0	14	4	14	4
Profit from repossessed operations	0	0	13	23	13	23
Pre-tax operating profit	0	0	583	(1 000)	583	(1 000)

1) *The eliminations refer mainly to internal services from support units to segments and between segments. Further, intra-group transactions and gains and losses on transactions between companies in the Group are eliminated.*

2) *The Group units includes IT and Operations, HR (Human Resources), Group Finance including Group Treasury, Risk Management, Corporate Communications, the partially owned company Eksportfinans, investments in IT infrastructure and shareholder-related costs. In addition, the Group units includes that part of the Group's equity that is not allocated to the segments. Profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" in the internal reporting of segments. The acquired companies are included in the Group units.*

Group units - pre-tax operating profit in NOK million	*1st quarter 2014*	*1st quarter 2013*
+ Interest on unallocated equity etc.	*79*	*95*
+ Increase in value of the Nets shareholding	*913*	*10*
+ Income from equities investments	*(43)*	*(24)*
+ Gains on fixed and intangible assets	*1*	*4*
+ Mark-to-market adjustments Group Treasury and fair value of loans	*416*	*(218)*
+ Basis swaps	*(596)*	*(233)*
+ Eksportfinans ASA	*99*	*70*
+ Net gains on investment property	*11*	*12*
+ Profit from repossessed operations	*13*	*23*
- Provisions for debt-financed structured products	*0*	*450*
- Unallocated impairment of loans and guarantees	*14*	*4*
- Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	*98*	*110*
- Unallocated personnel expenses	*40*	*(24)*
- Unallocated IT expenses	*17*	*17*
- Funding costs on goodwill	*37*	*10*
- Impairment losses for goodwill and systems development	*1*	*1*
- Impairment of leases	*(0)*	*17*
- Unallocated operating expenses in main buildings	*35*	*53*
- Impairment of investment property and fixed assets	*12*	*10*
Other	*(56)*	*(91)*
Pre-tax operating profit	*583*	*(1 000)*

3) *Allocated capital corresponds to the external capital adequacy requirement (Basel II) which must be met by the Group.*

4) *See note 13 Impairment of loans and guarantees for an analysis of the gross change in impairment for the Group.*

Note 4 Net interest income

Amounts in NOK million	DNB Group 1st quarter 2014	1st quarter 2013	Full year 2013
Interest on amounts due from credit institutions	447	283	1 299
Interest on loans to customers	12 887	12 551	52 019
Interest on impaired loans and guarantees	118	151	682
Interest on commercial paper and bonds	1 348	1 354	5 316
Front-end fees etc.	73	73	329
Other interest income	323	188	759
Total interest income	**15 196**	**14 600**	**60 404**
Interest on amounts due to credit institutions	555	647	2 374
Interest on deposits from customers	3 615	3 773	14 626
Interest on debt securities issued	3 146	2 963	12 130
Interest on subordinated loan capital	141	104	453
Guarantee fund levy	192	187	754
Other interest expenses [1)]	(144)	68	(125)
Total interest expenses	**7 504**	**7 743**	**30 212**
Net interest income	**7 691**	**6 857**	**30 192**

1) Other interest expenses include interest rate adjustments resulting from interest swaps entered into.

Note 5 Net commission and fee income

Amounts in NOK million	DNB Group 1st quarter 2014	1st quarter 2013	Full year 2013
Money transfer fees	831	780	3 330
Fees on asset management services	297	261	1 119
Fees on custodial services	87	76	320
Fees on securities broking	98	58	262
Corporate finance	234	105	497
Interbank fees	8	8	37
Credit broking commissions	121	63	473
Sales commissions on insurance products	700	678	2 810
Fees on real estate broking	236	263	1 144
Sundry commissions and fees	237	220	923
Total commission and fee income etc.	**2 848**	**2 511**	**10 916**
Money transfer fees	318	272	1 225
Commissions on fund management services	52	41	179
Fees on custodial services	39	31	134
Interbank fees	16	16	73
Credit broking commissions	15	27	102
Commissions on the sale of insurance products	42	24	85
Sundry commissions and fees	182	144	581
Total commission and fee expenses etc.	**663**	**555**	**2 379**
Net commission and fee income	**2 185**	**1 956**	**8 537**

Note 6 Net gains on financial instruments at fair value

	DNB Group		
Amounts in NOK million	1st quarter 2014	1st quarter 2013	Full year 2013
Dividends	195	30	411
Net gains on commercial paper and bonds	658	(109)	(837)
Net gains on shareholdings and equity-related derivatives	788	39	732
Net unrealised gains on basis swaps	(596)	(233)	(1 364)
Net gains on other financial instruments	1 044	1 337	6 090
Net gains on financial instruments at fair value	**2 089**	**1 063**	**5 032**

Note 7 Profit from investments accounted for by the equity method

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 of 2011. In 2012, 2013 and 2014, the required rate of return in the market was reduced, and Eksportfinans had sizeable unrealised losses on own debt. The impairment loss recorded by DNB in the fourth quarter of 2011 was reversed by an amount corresponding to these unrealised losses. Reversals totalling NOK 0.7 billion were made in the first quarter of 2014. The remaining impairment loss was NOK 1.4 billion at end-March 2014. The impairment loss in 2011 and subsequent reversals 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.

On 28 March 2014, a judgment in favour of Eksportfinans was delivered in the legal dispute described in the annual report for 2013, whereby a complaint had been filed against Eksportfinans by Silver Point Capital Fund LP and Silver Point Capital Offshore Master Fund LP (Silver Point) with the Tokyo District Court. The judgment is final.

Eksportfinans' accounts for the fourth quarter of 2013 (unaudited) included the following information on legal disputes:

> "On 12 December 2012, Eksportfinans received a complaint filed by Silver Point Capital Fund LP and Silver Point Capital Offshore Master Fund LP (Silver Point) with the Tokyo District Court. Silver Point is an investor in Eksportfinans Japanese Samurai bonds and has previously threatened (as stated in press releases dated 19 December 2011 and 7 November 2012) to declare default under these bonds. The plaintiff is demanding a partial payment in the amount of JPY 9.6 billion (approximately NOK 553 million at exchange rates applicable at 31 December, 2013) (together with 6 per cent interest thereon from 13 December 2011) as part of their entire claim of JPY 9.7 billion (approximately NOK 633 million including interest at exchange rates applicable at 31 December 2013). The due dates of these Samurai bonds are 16 June 2015 and 28 July 2016. Silver Point claims that the bonds became due and payable when they sent a default notice to Mizuho Corporate Bank as fiscal agent on 12 December 2011. Eksportfinans will, as previously stated in press releases on 19 December 2011 and 7 November 2012, vigorously resist this action on the basis that there is no default, and the company is therefore of the opinion that this complaint will not prevail. This opinion is supported by analysis from external counsel. Eksportfinans has therefore also concluded that such complaint does not constitute a cross default under Eksportfinans' other financial obligations. In a court meeting on 29 November 2013 the preceding judge closed the hearings and set the judgment date to 28 March 2014."

Through DNB Livsforsikring, the Group has joint control over three property companies as a result of its holdings in the companies and an agreement that all board decisions concerning the relevant activities shall be unanimous. As of 1 January 2013, these activities are classified as jointly controlled operations in accordance with IFRS 11 and recognised in the group accounts according to the equity method. These activities were previously accounted for according to the proportional consolidation method. The total return on the investments is included in the common portfolio of DNB Livsforsikring and presented under Net financial result, DNB Livsforsikring in the income statement. The change affects the classification of the investment in the balance sheet, but has no impact on the presentation in the income statement. See note 1 Accounting principles for effects of IFRS 11 Joint Arrangements.

Note 8 Other income

	DNB Group		
Amounts in NOK million	1st quarter 2014	1st quarter 2013	Full year 2013
Income from owned/leased premises	23	6	69
Income from investment properties	71	68	239
Sales income	27	26	107
Miscellaneous operating income	156	181	729
Total other income	**277**	**281**	**1 144**

Note 9 Operating expenses

Amounts in NOK million	DNB Group 1st quarter 2014	1st quarter 2013	Full year 2013
Salaries	1 988	1 890	7 892
Employer's national insurance contributions	286	278	1 127
Pension expenses [1)]	257	277	787
Restructuring expenses [1)]	46	28	776
Other personnel expenses	132	166	724
Total salaries and other personnel expenses	**2 710**	**2 639**	**11 307**
Fees [2)]	352	281	1 164
IT expenses [2)]	553	567	2 346
Postage and telecommunications	73	80	303
Office supplies	24	23	90
Marketing and public relations	223	204	847
Travel expenses	51	44	229
Reimbursement to Norway Post for transactions executed	52	28	143
Training expenses	15	15	49
Operating expenses on properties and premises	353	357	1 364
Operating expenses on machinery, vehicles and office equipment	31	32	130
Other operating expenses [3)]	217	683	1 184
Total other expenses	**1 944**	**2 316**	**7 850**
Impairment losses for goodwill [4)]	0	0	57
Depreciation and impairment of fixed and intangible assets [5)]	538	529	2 661
Total depreciation and impairment of fixed and intangible assets	**538**	**529**	**2 719**
Total operating expenses	**5 192**	**5 485**	**21 875**

1) *In consequence of the restructuring process in DNB, provisions for restructuring costs were made in 2013. In addition, a reduction in pension commitments for employees who were granted severance packages was estimated, resulting in lower pension expenses.*
2) *Fees also include system development fees and must be viewed relative to IT expenses.*
3) *During the first quarter of 2013, NOK 450 million was charged to the income statement in connection with the Supreme Court ruling regarding certain debt-financed structured products.*
4) *Impairment losses for goodwill of NOK 57 million relating to JSC DNB Bank were recorded in the fourth quarter of 2013.*
5) *Impairment of capitalised systems development in the Baltics totalling NOK 500 million was recorded in the fourth quarter of 2013.*

Note 10 Number of employees/full-time positions

	DNB Group 1st quarter 2014 [1)]	1st quarter 2013	Full year 2013
Number of employees at end of period	12 204	13 416	12 452
- of which number of employees abroad	3 485	4 168	3 533
Number of employees calculated on a full-time basis at end of period	11 780	12 962	12 016
- of which number of employees calculated on a full-time basis abroad	3 431	4 104	3 481
Average number of employees	12 281	13 559	13 091
Average number of employees calculated on a full-time basis	11 857	13 126	12 642

1) *The reduction from 2013 reflects restructuring measures in the Group.*

Note 11 Fair value of financial instruments at amortised cost

DNB Group

Amounts in NOK million	31 March 2014 Carrying amount	31 March 2014 Fair value	31 March 2013 Carrying amount	31 March 2013 Fair value
Cash and deposits with central banks	10 603	10 603	35 366	35 366
Due from credit institutions	18 765	18 765	24 570	24 570
Loans to customers	1 222 284	1 223 977	1 179 405	1 178 213
Commercial paper and bonds, held to maturity	148 491	154 558	155 362	160 498
Total financial assets	1 400 142	1 407 903	1 394 703	1 398 648
Due to credit institutions	29 437	29 437	30 832	30 832
Deposits from customers	837 443	837 443	843 738	843 738
Securities issued [1)]	460 336	467 040	414 629	419 426
Subordinated loan capital [1)]	24 846	25 168	17 141	16 652
Total financial liabilities	1 352 062	1 359 087	1 306 340	1 310 648

1) *Includes hedged liabilities.*

Note 12 Financial instruments at fair value

DNB Group

Amounts in NOK million	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	Accrued interest [1)]	Total
Assets as at 31 March 2014					
Deposits with central banks	0	352 726	0	0	352 727
Due from credit institutions	0	35 032	0	48	35 080
Loans to customers	0	4 422	116 769	358	121 548
Commercial paper and bonds at fair value	52 741	225 307	423	2 260	280 730
Shareholdings	12 040	9 868	11 569		33 477
Financial assets, customers bearing the risk	0	36 602	0		36 602
Financial derivatives	9	132 832	1 347		134 188
Liabilities as at 31 March 2014					
Due to credit institutions	0	227 862	0	136	227 998
Deposits from customers	0	62 609	0	128	62 737
Debt securities issued	0	283 890	0	829	284 719
Subordinated loan capital	0	1 252	0	2	1 254
Financial derivatives	10	107 327	1 137		108 474
Other financial liabilities	0	80	0	0	80

1) *Accrued interest on financial derivatives is included in the amounts in levels 2 and 3.*

Financial instruments at fair value, level 3

DNB Group

	Financial assets				Financial liabilities
Amounts in NOK million	Loans to customers	Commercial paper and bonds	Share-holdings [1)]	Financial derivatives	Financial derivatives
Carrying amount as at 31 December 2013	**123 207**	**311**	**10 914**	**1 442**	**1 248**
Net gains on financial instruments	518	0	994	(50)	(84)
Additions/purchases	714	256	133	48	42
Sales	0	153	452	0	0
Settled	7 670	7	0	87	64
Transferred from level 1 or level 2	0	69	0	0	0
Transferred to level 1 or level 2	0	54	20	0	0
Other [2)]	0	1	0	(5)	(5)
Carrying amount as at 31 March 2014	**116 769**	**423**	**11 569**	**1 347**	**1 137**

1) *Equities classified as level 3 comprise, in addition to pure equity investments, property fund units, limited partnership units, private equity investments and hedge fund units.*
2) *Includes exchange rate effects.*

Note 12 Financial instruments at fair value (continued)

Loans to customers

The portfolio of loans carried at fair value consists primarily of fixed-rate loans in Norwegian kroner and a share of margin loans in Norwegian kroner. The value of fixed-rate loans is determined by discounting agreed interest flows over the term of the loan, using a discount factor adjusted for margin requirements.The assumptions underlying the calculation of the margin requirement are based on a review of the market conditions on the balance sheet date and on an assessment of the deliberations made by external investors when investing in a corresponding portfolio. A margin requirement is calculated for margin loans, and the difference between the margin requirement and the agreed margin is discounted over the average expected time to the repricing of the loan. For a further discription of the instruments and valuation techniques, see DNB's annual report for 2013.

Breakdown of fair value, level 3 **DNB Group**

	31 March 2014		
Amounts in NOK million	Loans to customers	Commercial paper and bonds	Share-holdings
Principal amount/purchase price	114 933	421	8 867
Fair value adjustment	1 835	2	2 702
Total fair value, excluding accrued interest	116 769	423	11 569

Breakdown of shareholdings, level 3 **DNB Group**

Amounts in NOK million	Property funds	Hedge-funds	Unquoted equities	Private Equity (PE) funds	Other	Total
Carrying amount as at 31 March 2014	988	1 524	4 913	4 122	23	11 569

Sensitivity analysis, level 3 **DNB Group**

Amounts in NOK million	Carrying amount 31 March 2014	Effect of reasonably possible alternative assumptions
Loans to customers	116 769	(221)
Commercial paper and bonds	423	(1)
Shareholdings	11 569	0
Financial derivatives, net	210	0

In order to show the sensitivity of the loan portfolio, the discount rate on fixed-rate loans and the margin requirement on margin-based loans have been increased by 10 basis points.

Level 3 bonds mainly represent investments in Norwegian municipalities, country municipalities, savings banks and power companies. A 10 basis point increase in the discount rate has had insignificant effects.

Level 3 equities represent a total of NOK 6 402 million in private equity investments, property funds, hedge funds and unquoted equities in DNB Livsforsikring. The fair values of the funds are largely based on reported values from the fund managers. For private equity and property funds, the fund managers use cash flow-based models or multiples when determining fair values. The Group does not have full access to information about all elements in these valuations and thus has no basis for determining alternative values for alternative assumptions. The use of alternative values will have a limited effect on the Group's profits, as the investments are included in DNB Livsforsikring's common portfolio.

The banking group's portfolio of equities and mutual funds classified as level 3 was NOK 5 103 million as at 31 March 2014. The investment in Nets Holding was valued at NOK 3 430 million. During the first quarter of 2014, an agreement was signed on the sale of the investment in Nets. The transaction is expected to be completed in the second quarter of 2014.

Note 13 Impairment of loans and guarantees

DNB Group

Amounts in NOK million	1st quarter 2014	1st quarter 2013	Full year 2013
Write-offs	143	139	966
New individual impairment	857	996	3 071
Total new individual impairment	1 000	1 135	4 037
Reassessed individual impairment	554	406	1 263
Recoveries on loans and guarantees previously written off	114	113	457
Net individual impairment	332	616	2 318
Change in collective impairment of loans	(252)	121	(133)
Impairment of loans and guarantees [1)]	**80**	**737**	**2 185**
Write-offs covered by individual impairment made in previous years	615	279	1 837
1) Of which individual impairment of guarantees	*(198)*	*75*	*119*

Note 14 Loans to customers

Amounts in NOK million	31 March 2014	31 Dec. 2013	31 March 2013
			DNB Group
Loans at amortised cost:			
Loans to customers, nominal amount	1 231 862	1 223 642	1 189 383
Individual impairment	9 605	9 695	9 722
Loans to customers, after individual impairment	1 222 258	1 213 947	1 179 660
+ Accrued interest and amortisation	2 839	2 708	2 923
- Individual impairment of accrued interest and amortisation	762	710	701
- Collective impairment	2 050	2 315	2 476
Loans to customers, at amortised cost	1 222 284	1 213 630	1 179 405
Loans at fair value:			
Loans to customers, nominal amount	119 354	125 493	133 870
+ Accrued interest	358	391	460
+ Adjustment to fair value	1 836	1 317	1 369
Loans to customers, at fair value	121 548	127 201	135 699
Loans to customers	**1 343 832**	**1 340 831**	**1 315 104**

Note 15 Net impaired loans and guarantees for principal customer groups [1)]

Amounts in NOK million	31 March 2014	31 Dec. 2013	31 March 2013
			DNB Group
Private individuals	3 370	3 482	3 352
Transportation by sea and pipelines and vessel construction	3 976	4 953	5 141
Real estate	3 288	3 708	3 798
Manufacturing	707	2 182	2 030
Services	489	506	553
Trade	324	387	321
Oil and gas	50	137	42
Transportation and communication	963	767	559
Building and construction	1 123	975	987
Power and water supply	41	68	135
Seafood	54	58	65
Hotels and restaurants	148	228	204
Agriculture and forestry	112	103	180
Central and local government	0	0	0
Other sectors	26	11	17
Total customers	14 671	17 565	17 384
Credit institutions	4	5	0
Total net impaired loans and guarantees	14 675	17 570	17 384
Non-performing loans and guarantees not subject to impairment	1 744	3 179	2 534
Total net non-performing and doubtful loans and guarantees	16 419	20 749	19 918

1) *Includes loans and guarantees subject to individual impairment and total non-performing loans and guarantees not subject to impairment. The breakdown into principal customer groups corresponds to the EU's standard industrial classification, NACE Rev.2.*

Note 16 Commercial paper and bonds, held to maturity

			DNB Group
Amounts in NOK million	31 March 2014	31 Dec. 2013	31 March 2013
International bond portfolio	60 021	63 087	68 277
DNB Livsforsikring ASA	91 139	92 421	89 554
Other units [1)]	(2 670)	(2 626)	(2 469)
Commercial paper and bonds, held to maturity	**148 491**	**152 883**	**155 362**

1) Including eliminations of DNB Livsforsikring's investments in bonds issued by DNB Boligkreditt.

As part of ongoing liquidity management, DNB Bank has invested in a portfolio of securities. The portfolio can be used to regulate the liquidity requirement and as a basis for furnishing collateral for operations in various countries. Among other things, the securities serve as collateral for short and long-term borrowing in a number of central banks and as a basis for liquidity buffers to meet regulatory requirements. With effect from 1 July 2008, the international bond portfolio was reclassified from the category "fair value through profit or loss" to "held-to-maturity investments". Portfolios in this category are recorded at amortised cost and written down if there is objective evidence of a decrease in value.

In line with IAS 39, the portfolio has been reviewed to identify objective indications of impairment. No impairment losses have been identified in the portfolio.

Measurement of the reclassified bond portfolio

The reclassification in accordance with IAS 39 Financial Instruments: Recognition and Measurements requires that the value of the portfolio based on the principles applied before the reclassification must be reported. In a normal market situation, the portfolio would have been recorded at external observable prices before the reclassification. Due to the financial turmoil, there were no such observable prices in the market in 2008. In order to meet the disclosure requirement, the portfolio was thus measured at fair value according to models used for financial instruments not traded in an active market. The models were based on a regression analysis whereby historical market data (explanatory variables) which were observable even during the financial turmoil were used to explain historical changes in value in the portfolio. During the period from the fourth quarter of 2006 up to and including the second quarter of 2008, the model showed a high level of correlation between changes in given market data and changes in the value of the portfolio, which at the time was priced in an active market or through broker quotes which were believed to be fairly reliable. At end-March 2014, the fair value of the portfolio was determined based on broker quotes. If fair value had been used to determine the value of the portfolio in the first quarter of 2014, there would have been a NOK 149 million decrease in profits.

Effects of the reclassifications of the international bond portfolio

By measuring the portfolio at amortised cost, the value of the portfolio as at 31 March 2014 was NOK 0.7 billion higher than if the previous valuation principle had been retained. On the reclassification date, the carrying amount of the portfolio was NOK 88.0 billion, compared with NOK 18.4 billion at end-March 2014. The average term to maturity of the portfolio was 5.6 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 12 million at end-March 2014.

Effects on profits of the reclassification			**DNB Group**
Amounts in NOK million	1 st quarter 2014	1 st quarter 2013	Full year 2013
Recorded amortisation effect	31	53	163
Net gain, if valued at fair value	(117)	(14)	452
Effects of reclassification on profits	149	67	(289)

Effects on the balance sheet of the reclassification			**DNB Group**
Amounts in NOK million	31 March 2014	31 Dec. 2013	31 March 2013
Recorded unrealised losses	572	603	713
Unrealised losses, if valued at fair value	1 250	1 132	1 599
Effects of reclassification on the balance sheet	678	529	886

Development in the portfolio after the reclassification			**DNB Group**
Amounts in NOK million	31 March 2014	31 Dec. 2013	31 March 2013
Reclassified portfolio, carrying amount	18 436	20 313	24 648
Reclassified portfolio, if valued at fair value	17 758	19 784	23 762
Effects of reclassification on the balance sheet	678	529	886

Note 16 Commercial paper and bonds, held to maturity (continued)

International bond portfolio

After the reclassification date, DNB has chosen to increase investments in held-to-maturity securities. According to new proposed liquidity requirements for banks, in order for the securities to be classified as liquid funds, they must qualify for immediate sale. New investments in the international bond portfolio as from 2011 mainly represent covered and government-guaranteed bonds, these investments are carried at fair value. As at 31 March 2014 the international bond portfolio represented NOK 146.9 billion. 76.8 per cent of the securities in the portfolio had an AAA rating, while 18.1 per cent were rated AA. There were no synthetic securities in the portfolio and no investments in US sub-prime bonds or Collateralised Debt Obligations, CDOs. Nor were any investments made in Portugal, Italy, Ireland, Greece or Spain. The structure of the international bond portfolio is shown below.

		DNB Group
	Per cent 31 March 2014	NOK million 31 March 2014
Asset class		
Consumer credit	0.01	16
Residential mortgages	22.63	33 361
Corporate loans	0.02	22
Government related	36.95	54 467
Covered bonds	40.40	59 558
Total international bond portfolio, nominal values	100.00	147 424
Accrued interest, amortisation effects and fair value adjustments		(555)
Total international bond portfolio		146 868
Total international bond portfolio, held to maturity		60 021
Of which reclassified portfolio		18 436

The average term to maturity of the international bond portfolio is 2.8 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 16 million at end-March 2014.

DNB Livsforsikring

Bonds held-to-maturity totalled NOK 91.1 billion in DNB Livsforsikring ASA's as at 31 March 2014, mainly comprising bonds issued by highly creditworthy borrowers. At end-March, bonds with government guarantees represented 22.6 per cent of the portfolio, while covered bonds represented 33.3 per cent. The remaining bonds are generally issued by municipalities, county municipalities and highly creditworthy finance companies. All investments in bonds issued by finance companies represent senior debt, which has the highest ranking in the capital structure and first priority if the issuer goes bankrupt. Only in exceptional cases does DNB Livsforsikring invest in bonds issued by traditional manufacturing companies.

In line with IAS 39, the portfolio has been reviewed to identify objective indications of impairment. No impairment losses have been identified in the portfolio.

		DNB Group
	Per cent 31 March 2014	NOK million 31 March 2014
Asset class		
Government/government-guaranteed	22.57	20 118
Guaranteed by supranational entities	1.46	1 300
Municipalities/county municipalities	8.28	7 383
Bank and mortgage institutions	18.64	16 616
Covered bonds	33.27	29 662
Other issuers	15.79	14 074
Total bond portfolio DNB Livsforsikring, held to maturity, nominal values	100.00	89 153
Accrued interest, amortisation effects and fair value adjustments		1 986
Total bond portfolio DNB Livsforsikring, held to maturity		91 139

Note 17 Investment properties

			DNB Group
Amounts in NOK million	31 March 2014	31 Dec. 2013 [1]	31 March 2013 [1]
DNB Livsforsikring	32 175	32 545	32 513
Properties for own use [2]	(5 464)	(4 674)	(3 521)
Other investment properties [3]	4 744	4 615	4 228
Total investment properties	**31 456**	**32 485**	**33 220**

1) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*
2) *Some properties in DNB Livsforsikring are classified as properties for own use in the group accounts and are recorded at fair value.*
3) *Other investment properties are mainly related to acquired companies.*

Note 17 Investment properties (continued)

Investment properties in the Group are principally owned by DNB Livsforsikring. DNB Livsforsikring's portfolio totalled NOK 32 175 million as at 31 March 2014.

Fair value

Investment properties in DNB Livsforsikring are part of the common portfolio and are owned with the intention to achieve long-term returns for policyholders. The property portfolio is recorded at fair value on the balance sheet date. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants ("exit price").The Norwegian properties are valued by using an internal valuation model. As a supplement, external appraisals are obtained for a representative selection of properties in the portfolio at regular intervals throughout the year. During the firsth quarter of 2014, external appraisals were obtained for a total of 12 properties, representing 30 per cent of portfolio value. The purpose of the external appraisals is to benchmark the internal valuations against independent references. Internal calculations and the values recorded in the balance sheet are 1.7 per cent higher than average external appraisals. The Swedish properties in the portfolio and partially owned properties are valued based on external appraisals.

Internal valuation model

In the internal model, fair value is calculated as the present value of future cash flows during and after the contract period. The required rates of return stipulated in the model reflect market risk. For the office and shopping centre portfolios, a required rate of return of 8.5 per cent is used, while the required rate of return for the hotel portfolio is 8.75 per cent. Following an individual assessment, there was a revision of the required rates of return for some shopping centres, ranging from minus 0.3 to plus 0.5 percentage points. The required rate of return for hotel portfolio was adjusted in the first quarter of 2014. Consequently, there will be greater differentiation between attractive and less attractive objects, which is in line with the market trend.

Value development and sensitivity

The value of investment properties in DNB Livsforsikring was adjusted downwards by NOK 30 million during the firsth quarter of 2014. There have been no significant changes in the parameters included in the valuation model.

Valuations are particularly sensitive to changes in required rates of return and assumptions regarding future income flows. Other things equal, a 0.25 percentage point reduction in the required rate of return will change the value of the property portfolio by approximately 4.2 per cent or NOK 956 million. Correspondingly, a 5 per cent change in future market rents will change the value of the property portfolio by 3.7 per cent or NOK 834 million.

Changes in the value of investment properties	**DNB Group**
Amounts in NOK million	Investment property
Carrying amount as at 31 December 2012 [1)]	**38 607**
Additions, purchases of new properties	14
Additions, capitalised investments	122
Additions, acquired companies	0
Net gains resulting from adjustment to fair value	62
Net gains resulting from adjustment to fair value of projects	0
Disposals	5 841
Exchange rate movements	255
Recorded value as at 31 March 2013 [1)]	**33 220**
Carrying amount as at 31 December 2013 [1)]	**32 485**
Additions, purchases of new properties	138
Additions, capitalised investments	(789)
Additions, acquired companies	264
Net gains resulting from adjustment to fair value [2)]	(69)
Net gains resulting from adjustment to fair value of projects	0
Disposals	502
Exchange rate movements	(72)
Carrying amount as at 31 March 2014	**31 456**

1) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.
2) Of which NOK 33 million represented a negative value adjustment of investment properties which are not owned by DNB Livsforsikring.

Note 18 Intangible assets

Amounts in NOK million	31 March 2014	31 Dec. 2013	31 March 2013
			DNB Group
Goodwill [1]	4 824	4 870	4 818
IT systems development [2]	1 288	1 382	1 695
Other intangible assets	252	259	261
Total intangible assets	**6 363**	**6 511**	**6 774**

1) *Assessments of goodwill were made in the first quarter of 2014 based on reported figures for the first quarter compared to approved plans for the various cash-generating units. There was not identified any need for recognising impairment losses as a result of these assessments. Impairment losses for the remaining goodwill of JSC DNB Bank were recorded in the fourth quarter of 2013.*

2) *The process of developing new IT solutions in the Baltics was completed in 2013. Due to reduced growth prospects and stricter capital requirements for the cash flow-generating unit, it was decided to record impairment losses of NOK 500 million, in the fourth quarter, relating to the IT solutions.*

Note 19 Debt securities issued and subordinated loan capital

As an element in liquidity management, the DNB Group issues and redeems own securities.

Debt securities issued

Amounts in NOK million	31 March 2014	31 Dec. 2013	31 March 2013
			DNB Group
Commercial paper issued, nominal amount	210 546	183 619	206 483
Bond debt, nominal amount [1]	505 366	504 159	455 363
Adjustments	29 143	23 777	28 078
Total debt securities issued	**745 055**	**711 555**	**689 923**

Changes in debt securities issued

Amounts in NOK million	Balance sheet 31 March 2014	Issued 2014	Matured/ redeemed 2014	Exchange rate movements 2014	Other adjustments 2014	Balance sheet 31 Dec. 2013
						DNB Group
Commercial paper issued, nominal amount	210 546	252 864	225 431	(506)		183 619
Bond debt, nominal amount [1]	505 366	44 614	38 273	(5 133)		504 159
Adjustments	29 143				5 366	23 777
Total debt securities issued	**745 055**	**297 477**	**263 704**	**(5 639)**	**5 366**	**711 555**

Changes in subordinated loan capital and perpetual subordinated loan capital securities

Amounts in NOK million	Balance sheet 31 March 2014	Issued 2014	Matured/ redeemed 2014	Exchange rate movements 2014	Other adjustments 2014	Balance sheet 31 Dec. 2013
						DNB Group
Term subordinated loan capital, nominal amount	17 632			(190)		17 822
Perpetual subordinated loan capital, nominal amount	3 965			(46)		4 011
Perpetual subordinated loan capital securities, nominal amount	3 488			(27)		3 515
Adjustments	1 015				86	929
Total subordinated loan capital and perpetual subordinated loan capital securities	**26 100**	**0**	**0**	**(263)**	**86**	**26 276**

1) *Minus own bonds. Nominal amount of outstanding covered bonds in DNB Boligkreditt totalled NOK 389.9 billion as at 31 March 2014. The cover pool market value represented NOK 531.7 billion.*

Note 20 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. Capital adequacy is reported in accordance with regulations from Finanstilsynet.

Primary capital	**DNB Bank ASA**		**DNB Bank Group**		**DNB Group**	
Amounts in NOK million	31 March 2014	31 Dec. 2013	31 March 2014	31 Dec. 2013	31 March 2014	31 Dec. 2013
Share capital	18 314	18 314	18 314	18 314	16 263	16 278
Other equity	95 895	96 276	107 449	108 093	125 159	125 949
Non-eligible capital	-	-	-	-	(1 013)	(1 013)
Total equity	114 210	114 591	125 763	126 407	140 409	141 214
Deductions						
Pension funds above pension commitments	(3)	0	(21)	(4)	(52)	(25)
Goodwill	(2 944)	(2 956)	(3 629)	(3 654)	(5 422)	(5 482)
Deferred tax assets	(4 232)	(4 145)	(1 055)	(1 093)	(1 072)	(1 111)
Other intangible assets	(882)	(955)	(1 324)	(1 425)	(1 541)	(1 643)
Dividends payable etc.	0	0	(5 000)	(5 000)	(4 398)	(4 398)
Unrealised gains on fixed assets	0	0	(30)	(30)	(30)	(30)
50 per cent of investments in other financial institutions	(8)	(2)	(8)	(2)	(8)	(2)
50 per cent of expected losses exceeding actual losses, IRB portfolios	(685)	(610)	(1 042)	(712)	(1 042)	(712)
Adjustments for unrealised losses/(gains) on debt recorded at fair value	240	240	281	281	281	281
Minimum requirement reassurance allocation	-	-	-	-	(26)	(21)
Common Equity Tier 1 capital	105 695	106 162	113 934	114 770	127 098	128 072
Common Equity Tier 1 capital incl. 50 per cent of profit for the period	108 007	-	116 528	-	129 858	-
Perpetual subordinated loan capital securities [1]	3 488	3 515	3 488	3 515	3 488	3 515
Tier 1 capital	109 183	109 677	117 422	118 285	130 586	131 587
Tier 1 capital incl. 50 per cent of profit for the period	111 495	-	120 016	-	133 346	-
Perpetual subordinated loan capital	3 965	4 011	3 965	4 011	3 965	4 011
Term subordinated loan capital [2]	17 632	17 822	17 702	17 850	17 702	17 850
Deductions						
50 per cent of investments in other financial institutions	(8)	(2)	(8)	(2)	(8)	(2)
50 per cent of expected losses exceeding actual losses, IRB portfolios	(685)	(610)	(1 042)	(712)	(1 042)	(712)
Additions						
45 per cent of unrealised gains on fixed assets	0	0	18	18	18	18
Tier 2 capital	20 904	21 221	20 634	21 165	20 634	21 165
Total eligible primary capital [3]	130 088	130 898	138 057	139 450	151 220	152 752
Total eligible primary capital incl. 50 per cent of profit for the period [3]	132 399	-	140 651	-	153 980	-
Risk-weighted volume, transitional rules	876 181	933 433	999 430	1 004 716	1 087 513	1 089 114
Minimum capital requirement, transitional rules	70 094	74 675	79 954	80 377	87 001	87 129
Common Equity Tier 1 capital ratio, transitional rules (%)	12.3	11.4	11.7	11.4	11.9	11.8
Tier 1 capital ratio, transitional rules (%)	12.7	11.7	12.0	11.8	12.3	12.1
Capital ratio, transitional rules (%)	15.1	14.0	14.1	13.9	14.2	14.0
Common Equity Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	12.1	-	11.4	-	11.7	-
Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	12.5	-	11.7	-	12.0	-
Capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	14.8	-	13.8	-	13.9	-

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 2014, calculations of capital adequacy for the banking group and DNB Group included a total of NOK 70 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 according to the pro-rata method in the capital adequacy calculations while the equity method is used in the accounts.*

Note 20 Capital adequacy (continued)

Basel II

The majority of the credit portfolios are reported according to the IRB approach. However, some portfolios are still subject to final IRB approval from Finanstilsynet. These are banks and financial institutions (DNB Bank) and large corporate clients rated by simulation models (DNB Bank). Credit portfolios in Nordlandsbanken (corporate clients and residential mortgages) will gradually be included in the volumes reported according to the IRB approach as and when they are transferred to the core system solutions and risk models in DNB Bank through 2014.

Specification of risk-weighted volume and capital requirements **DNB Group**

Amounts in NOK million	Nominal exposure 31 March 2014	EAD [1] 31 March 2014	Average risk weights in per cent 31 March 2014	Risk-weighted volume 31 March 2014	Capital requirements 31 March 2014	Capital requirements 31 Dec. 2013
IRB approach						
Corporate	887 858	719 551	47.1	339 131	27 131	30 362
Specialised Lending (SL)	6 919	6 886	47.4	3 264	261	153
Retail - mortgage loans	627 875	627 874	16.8	105 306	8 424	4 884
Retail - other exposures	106 753	87 652	28.4	24 920	1 994	1 984
Securitisation	60 021	60 021	47.3	28 379	2 270	2 380
Total credit risk, IRB approach	1 689 426	1 501 983	33.4	501 000	40 080	39 763
Standardised approach						
Central government	51 279	67 691	0.4	289	23	4
Institutions	157 025	107 289	24.6	26 352	2 108	1 837
Corporate	261 054	204 002	92.6	188 961	15 117	17 055
Retail - mortgage loans	40 687	38 788	54.6	21 195	1 696	1 867
Retail - other exposures	79 560	36 358	78.1	28 399	2 272	2 249
Equity positions	5 940	5 730	102.1	5 850	468	321
Securitisation	2 897	2 897	17.9	519	42	44
Other assets	11 260	11 260	100.0	11 260	901	1 019
Total credit risk, standardised approach	609 702	474 014	59.7	282 825	22 626	24 395
Total credit risk	2 299 127	1 975 997	39.7	783 825	62 706	64 158
Market risk						
Position risk, debt instruments				24 619	1 970	2 239
Position risk, equity instruments				288	23	104
Currency risk				0	0	0
Commodity risk				183	15	9
Total market risk				25 090	2 007	2 352
Operational risk				80 099	6 408	6 408
Net insurance, after eliminations				90 659	7 253	6 982
Deductions				(710)	(57)	(60)
Total risk-weighted volume and capital requirements before transitional rules				978 964	78 317	79 840
Additional capital requirements according to transitional rules [2]				108 550	8 684	7 289
Total risk-weighted volume and capital requirements				1 087 513	87 001	87 129

1) *EAD, exposure at default.*

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

Note 21 Liquidity risk

Liquidity risk is the risk that the DNB Group will be unable to meet its payment obligations. Overall liquidity management in the Group implies that DNB Bank ASA is responsible for funding domestic subsidiaries, as well as international branches and subsidiaries. Liquidity risk is managed and measured by means of various measurement techniques.

The Board of Directors has approved internal limits which restrict the short-term maturity of liabilities within different time frames. The various maturities are subject to stress testing based on a bank-specific crisis and a systemic crisis and a combination thereof, and a contingency plan has been established to handle market events. In addition, limits have been approved for structural liquidity risk, which implies that lending to customers should largely be financed through customer deposits, subordinated capital and long-term funding. Ordinary senior bond debt and covered bonds are the major sources of long-term funding. The Group's ratio of deposits to net loans was 67.0 per cent at end-March 2014, marginally down from 67.6 per cent a year earlier. The ratio of deposits to net loans in DNB Bank ASA was 127.1 per cent at end-March 2014.

The short-term funding markets were generally sound for banks with good credit ratings in the first quarter of 2014. The markets are gradually returning to normal, and European investors show greater interest in raising funding. DNB had ample access to short-term funding through its funding programmes in both the US (USD) and Europe (all currencies). In the long-term funding markets, there was also a strong supply of capital throughout the quarter. There has generally been greater demand from investors, while a number of issuers have had less need for issuing bonds. This has resulted in a healthy price trend for both senior bonds and covered bonds.

The short-term liquidity requirement, Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the first quarter. At end-March, the total LCR was 113.8 per cent, with an LCR of 125.7 per cent for EUR and 155.6 per cent for USD.

The average remaining term to maturity for the portfolio of senior bond debt was 4.5 years at end-March 2014, compared with 4.6 years a year earlier. The DNB Group aims to achieve a sound and stable maturity structure for funding over the next five years.

Note 22 Information on related parties

Major transactions and agreements with related parties:

Eksportfinans ASA
DNB Bank ASA has a 40 per cent ownership interest in Eksportfinans ASA (Eksportfinans).

Financial market turbulence resulted in sizeable unrealised losses in Eksportfinans' liquidity portfolio in the first quarter of 2008. In order to ensure an adequate capital base for the company, its Board of Directors implemented three measures:

- A share issue of NOK 1.2 billion aimed at the company's owners was implemented, and all owners participated based on their proportional shares.
- A portfolio hedge agreement was entered into, and the owners were invited to participate. DNB Bank ASA's share of the agreement corresponded to 40.43 per cent. The agreement secures Eksportfinans against further decreases in portfolio values of up to NOK 5 billion effective from 29 February 2008. Any recovery of values relative to nominal values will accrue to the participants in the portfolio hedge agreement as payment for their hedging commitment.
- During the first quarter of 2008, Eksportfinans' largest owner banks, DNB Bank ASA, Nordea Bank AB and Danske Bank A/S, approved a committed credit line giving the company access to a liquidity reserve of up to USD 4 billion. The agreement is renewed yearly. The renewal in 2010 resulted in a reduction in the limit for the liquidity reserve to USD 2 billion. DNB Bank ASA's share of this agreement represents approximately USD 1.1 billion. Eksportfinans has not availed itself of this credit line.

DNB Bank ASA carries loans in its balance sheets which according to a legal agreement have been transferred to Eksportfinans and are guaranteed by DNB Bank ASA. Pursuant to the agreement, the bank still carries interest rate risk and credit risk associated with the transferred portfolio. According to the IFRS regulations, the loans have therefore not been removed from the balance sheet of the bank. These portfolios totalled NOK 3.0 billion at end-March 2014. The loans are set off by deposits/payments from Eksportfinans. DNB Bank ASA has also issued guarantees for other loans in Eksportfinans.

The transactions with Eksportfinans have been entered into on ordinary market terms as if they had taken place between independent parties.

Stimulus packages
On 24 October 2008, the Norwegian parliament authorised the Ministry of Finance to launch a scheme whereby the government and the banks exchange Treasury bills for covered bonds for an agreed period. Norges Bank administers the scheme on commission from the Ministry of Finance.

Under the swap scheme, the government sells Treasury bills to the banks in a time-limited swap for covered bonds. The banks have free disposal over the Treasury bills they acquire and may sell them in the market if they so wish. Treasury bill maturities are between three and six months. The swap agreements last for periods of up to five years, and the banks undertake to purchase new Treasury bills as and when the Treasury bills reach maturity during the agreement period. The Treasury bills are priced at NIBOR plus a premium corresponding to the margin at the time the agreement was concluded. As an additional requirement, there must be a spread of minimum 40 basis points between the agreed interest rate and the Treasury bill yield. Upon expiry of the agreements, the banks are under an obligation to repurchase the covered bonds from the government at the original selling price.

Note 22 Information on related parties (continued)

DNB Bank ASA has purchased bonds from DNB Boligkreditt, which have been used as collateral for swap agreements with Norges Bank. The bank is required to repurchase the covered bonds at the original selling price. The bank receives yield from the covered bonds as if they never had been sold. The accounting treatment of sales of financial instruments where the seller retains substantially all the risks and returns associated with the instrument, is described in IAS 39.20 Financial Instruments: Recognition and Measurement. The bank is of the opinion that the requirement for transfer of risk and returns associated with the bonds in accordance with this standard have not been fulfilled, and that the bonds thus cannot be derecognised from the balance sheet of the bank. On a consolidated basis, the bonds are treated as own bonds and netted against issued bonds in DNB Boligkreditt.

In practice, the swap agreements imply that the bank purchases Treasury bills from Norges Bank. These are initially recorded as investments in Treasury bills. The obligation to repurchase the bonds at a price corresponding to the value of the Treasury bills is recorded as funding from Norges Bank. At end-March 2014, this funding represented NOK 15.3 billion. At end-March 2014, the bank's investments in Treasury bills used in the swap agreements represented NOK 14.3 billion.

Note 23 Off-balance sheet transactions, contingencies and post-balance sheet events

Off-balance sheet transactions and additional information — **DNB Group**

Amounts in NOK million	31 March 2014	31 Dec. 2013	31 March 2013
Performance guarantees	49 314	45 721	44 265
Payment guarantees	22 699	23 811	22 809
Loan guarantees [1)]	18 851	19 054	18 883
Guarantees for taxes etc.	6 833	6 596	6 724
Other guarantee commitments	2 231	4 291	2 315
Total guarantee commitments	99 929	99 472	94 996
Support agreements	10 504	10 200	11 068
Total guarantee commitments etc. [*)]	110 433	109 672	106 064
Unutilised credit lines and loan offers	547 808	580 460	503 365
Documentary credit commitments	3 981	3 860	2 384
Other commitments	709	671	2 011
Total commitments	552 497	584 990	507 759
Total guarantee and off-balance commitments	662 930	694 662	613 824
Pledged securities	50 004	77 202	89 253
**) Of which counter-guaranteed by financial institutions*	*127*	*148*	*1 084*

1) *DNB Bank ASA carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DNB Bank ASA has issued guarantees. According to the agreement, DNB Bank ASA still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 3.0 billion were recorded in the balance sheet as at 31 March 2014. These loans are not included under guarantees in the table.*

Contingencies

Due to its extensive operations in Norway and abroad, the DNB Group will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the Group's financial position.

The DNB Group is involved in legal disputes relating to structured products.

DNB Bank ASA has brought an action against seven Norwegian municipalities for the settlement of interest swaps on commercial terms. The municipalities have stopped their payments under the agreements citing that full settlement took place upon payment of the residual value of the investments made. The bank's total claim in the civil action is NOK 825 million plus interest on overdue payments.

A civil action has been brought before a US court of law against DNB Markets Inc. (Minc) and the other arrangers of a USD 300 million Senior Note issue in 2010 on behalf of Overseas Shipholding Group (OSG). Minc’s share of the note issue was approximately USD 19 million, representing around 6.25 per cent.

Note 23 Off-balance sheet transactions, contingencies and post-balance sheet events (continued)

Post-balance sheet events

Sale of the subsidiary JSC DNB Bank

At end-March 2014, JSC DNB Bank in Russia was a DNB subsidiary. The subsidiary has eight branches and approximately 190 employees. At end-April 2014, an agreement on the sale of the company was signed. The transaction is subject to the authorities' approval and is expected to be implemented in the second quarter of 2014. A small loss will be recorded in the accounts.

Sale of ownership interest in Amports Inc.

At end-March 2014, DNB had a holding of just over 29 per cent in Amports Inc., which was acquired in 2010 in connection with the restructuring of a loan. Headquartered in Florida, Amports is a leader in the global automotive service industry in the US and Mexico and operates port terminals for auto shipping. The holding is recognised in the group accounts according to the equity method. At end-March 2014, the carrying value of the holding was NOK 122 million (USD 20.4 million). On 17 April 2014, DNB signed an agreement to sell the holding, and the transaction is expected to be implemented in the second quarter of 2014. A capital gain of NOK 210 million is expected to be recorded in the second quarter accounts.

No additional information has come to light about important circumstances which had occurred on the balance sheet date on 31 March 2014 and up till the Board of Directors' final consideration of the accounts on 7 May 2014.

DNB ASA

Income statement

Amounts in NOK million	1st quarter 2014	1st quarter 2013	DNB ASA Full year 2013
Total interest income	36	21	131
Total interest expenses	77	88	335
Net interest income	**(41)**	**(66)**	**(204)**
Commissions and fees payable etc.	1	1	(6)
Other income [1)]	0	0	9 550
Net other operating income	**(1)**	**(1)**	**9 544**
Total income	**(42)**	**(68)**	**9 340**
Salaries and other personnel expenses	1	1	5
Other expenses	97	108	434
Total operating expenses	**98**	**110**	**439**
Pre-tax operating profit	**(140)**	**(177)**	**8 901**
Tax expense	(38)	(50)	1 771
Profit for the period	**(102)**	**(128)**	**7 130**
Earnings/diluted earnings per share (NOK)	(0.06)	(0.08)	4.38
Earnings per share excluding operations held for sale (NOK)	(0.06)	(0.08)	4.38

Balance sheet

Amounts in NOK million	31 March 2014	31 Dec. 2013	DNB ASA 31 March 2013
Assets			
Due from DNB Bank ASA	4 713	5 826	3 986
Loans to other group companies [2)]	1 350	1 349	225
Investments in group companies	66 414	66 464	62 216
Receivables due from group companies [1)]	9 579	9 579	8 493
Other assets	107	0	50
Total assets	**82 163**	**83 218**	**74 970**
Liabilities and equity			
Short-term amounts due to DNB Bank ASA	76	51	241
Due to other group companies	4 962	5 014	0
Other liabilities and provisions	4 398	5 413	5 600
Long-term amounts due to DNB Bank ASA	11 670	11 581	10 830
Total liabilities	**21 106**	**22 058**	**16 671**
Share capital	16 288	16 288	16 288
Share premium reserve	22 556	22 556	22 556
Other equity	22 213	22 315	19 455
Total equity	**61 057**	**61 159**	**58 299**
Total liabilities and equity	**82 163**	**83 218**	**74 970**

1) Of which group contributions from DNB Bank ASA represented NOK 6 944 million in 2013. The group contribution from DNB Livsforsikring ASA represented NOK 2 414 million in 2013.

2) Of which subordinated loans to DNB Livsforsikring ASA represented NOK 1 329 million as at 31 March 2014 and NOK 1 335 million as at 31 December 2013.

Statement of changes in equity

Amounts in NOK million	Share capital	Share premium reserve	Other equity	DNB ASA Total equity
Balance sheet as at 31 December 2012	**16 288**	**22 556**	**19 583**	**58 427**
Profit for the period			(128)	(128)
Balance sheet as at 31 March 2013	**16 288**	**22 556**	**19 455**	**58 299**
Balance sheet as at 31 December 2013	**16 288**	**22 556**	**22 315**	**61 159**
Profit for the period			(102)	(102)
Balance sheet as at 31 March 2014	**16 288**	**22 556**	**22 213**	**61 057**

Accounting principles

DNB ASA has prepared accounts according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS (International Financial Reporting Standards). These regulations give permission to record provisions for dividends and group contributions in subsidiaries as income and record the Board of Directors' proposed dividends and group contributions as liabilities on the balance sheet date. According to IFRS, dividends should be classified as equity until approved by the general meeting. A description of the accounting principles applied by DNB ASA in preparing the accounts is found in the annual report for 2013.

Key figures

	DNB Group		
	1st quarter 2014	1st quarter 2013	Full year 2013
Interest rate analysis			
1. Combined weighted total average spread for lending and deposits (%)	1.25	1.20	1.27
2. Average spread for ordinary lending to customers (%)	2.42	2.21	2.34
3. Average spread for deposits from customers (%)	(0.29)	(0.30)	(0.28)
Rate of return/profitability			
4. Net other operating income, per cent of total income	38.8	34.9	35.2
5. Cost/income ratio (%)	41.3	52.0	45.7
6. Return on equity, annualised (%)	15.5	10.0	13.2
7. RAROC, annualised (%)	14.9	10.9	12.8
8. Average equity including allocated dividend (NOK million)	144 132	128 572	133 242
9. Return on average risk-weighted volume, annualised (%)	2.06	1.19	1.61
Financial strength at end of period			
10. Common equity Tier 1 capital ratio, transitional rules (per cent) [1)]	11.9	10.6	11.8
11. Tier 1 capital ratio, transitional rules (per cent) [1)]	12.3	10.8	12.1
12. Capital ratio, transitional rules (per cent) [1)]	14.2	12.1	14.0
13. Common equity Tier 1 capital (NOK million) [1)]	127 098	115 614	128 072
14. Risk-weighted volume, transitional rules (NOK million)	1 087 513	1 094 325	1 089 114
Loan portfolio and impairment			
15. Individual impairment relative to average net loans to customers, annualised	0.10	0.19	0.18
16. Impairment relative to average net loans to customers, annualised	0.02	0.23	0.17
17. Net non-performing and net doubtful loans and guarantees, per cent of net loans	1.19	1.48	1.38
18. Net non-performing and net doubtful loans and guarantees at end of period (NOK million)	16 419	19 918	20 749
Liquidity			
19. Ratio of customer deposits to net loans to customers at end of period (%)	67.0	67.6	64.7
Total assets owned or managed by DNB			
20. Customer assets under management at end of period (NOK billion)	518	478	519
21. Total combined assets at end of period (NOK billion)	2 740	2 718	2 656
22. Average total assets (NOK billion)	2 676	2 427	2 543
23. Customer savings at end of period (NOK billion)	1 418	1 367	1 387
Staff			
24. Number of full-time positions at end of period	11 780	12 962	12 016
The DNB share			
25. Number of shares at end of period (1 000)	1 628 799	1 628 799	1 628 799
26. Average number of shares (1 000)	1 628 799	1 628 799	1 628 799
27. Earnings per share (NOK)	3.39	1.96	10.76
28. Earnings per share excl. operations held for sale (NOK)	3.41	1.95	10.76
29. Dividend per share (NOK)	-	-	2.70
30. Total shareholders' return (%)	(4.1)	21.7	57.6
31. Dividend yield (%)	-	-	2.49
32. Equity per share incl. allocated dividend at end of period (NOK)	90.21	80.31	87.32
33. Share price at end of period (NOK)	104.10	85.65	108.50
34. Price/earnings ratio	7.67	10.99	10.08
35. Price/book value	1.15	1.07	1.24
36. Market capitalisation (NOK billion)	169.6	139.5	176.7

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

For definitions of selected key figures, see next page.

Definitions

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.
6	Average equity is calculated on the basis of recorded equity.
7	RAROC (Risk-Adjusted Return On Capital) is defined as risk-adjusted profits relative to average equity. Risk-adjusted profits indicate the level of profits in a normalised situation.
9	Profit for the period relative to average risk-weighted volume.
20	Total assets under management for external clients in DNB Asset Management, DNB Livsforsikring and DNB Skadeforsikring.
21	Total assets and customer assets under management.
23	Total deposits from customers, assets under management and equity-linked bonds.
25	The Annual General Meeting on 24 April 2014 authorised the Board of Directors of DNB ASA to acquire own shares for a total face value of up to NOK 325 759 772, corresponding to 2 per cent of share capital. The shares shall be purchased in a regulated market. Each share may be purchased at a price between NOK 10 and NOK 200. The authorisation is valid for a period of 12 months from 24 April 2014. 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, Industry and Fisheries 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.
27	Holdings of own shares are not included in calculations of earnings per share.
28	Excluding operations held for sale. Holdings of own shares are not included in calculations of the number of shares.
30	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.
32	Equity at end of period relative to number of shares at end of period.
34	Closing price at end of period relative to annualised earnings per share.
35	Closing price at end of period relative to recorded equity at end of period.
36	Number of shares multiplied by the closing share price at end of period.

Profit and balance sheet trends

Income statement					**DNB Group**
	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
Amounts in NOK million	2014	2013	2013	2013	2013
Total interest income	15 196	15 417	15 373	15 014	14 600
Total interest expenses	7 504	7 477	7 458	7 534	7 743
Net interest income	**7 691**	**7 940**	**7 915**	**7 480**	**6 857**
Commission and fee income etc.	2 848	2 780	2 786	2 838	2 511
Commission and fee expenses etc.	663	634	604	586	555
Net gains on financial instruments at fair value	2 089	1 342	1 264	1 363	1 063
Net financial result, DNB Livsforsikring	(30)	149	58	152	194
Net risk result, DNB Livsforsikring	135	216	147	78	26
Net insurance result, DNB Skadeforsikring	102	122	102	119	75
Profit from investments accounted for by the equity method	107	118	99	70	74
Net gains on investment property	13	(79)	(23)	4	12
Other income	277	304	287	272	281
Net other operating income	**4 877**	**4 318**	**4 117**	**4 310**	**3 682**
Total income	**12 569**	**12 258**	**12 032**	**11 790**	**10 539**
Salaries and other personnel expenses	2 710	2 677	2 776	3 215	2 639
Other expenses	1 944	1 743	1 938	1 853	2 316
Depreciation and impairment of fixed and intangible assets	538	1 088	509	593	529
Total operating expenses	**5 192**	**5 508**	**5 223**	**5 660**	**5 485**
Pre-tax operating profit before impairment	**7 377**	**6 750**	**6 809**	**6 130**	**5 054**
Net gains on fixed and intangible assets	(0)	153	2	(9)	4
Impairment of loans and guarantees	80	36	475	937	737
Pre-tax operating profit	**7 297**	**6 868**	**6 337**	**5 184**	**4 321**
Tax expense	1 758	1 212	1 448	1 379	1 149
Profit from operations held for sale, after taxes	(19)	9	(7)	(7)	10
Profit for the period	**5 519**	**5 665**	**4 881**	**3 798**	**3 181**
Earnings/diluted earnings per share (NOK)	3.39	3.48	3.00	2.33	1.96

Comprehensive income statement					**DNB Group**
	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
Amounts in NOK million	2014	2013	2013	2013	2013
Profit for the period	**5 519**	**5 665**	**4 881**	**3 798**	**3 181**
Actuarial gains and losses, net of tax	(294)	(481)	(352)	364	0
Property revaluation	10	96	7	23	(3)
Elements of other comprehensive income allocated to customers (life insurance)	(10)	(96)	(7)	(23)	3
Other comprehensive income that will not be reclassified to profit or loss, net of tax	(294)	(481)	(352)	364	0
Currency translation of foreign operations	(861)	986	382	1 380	730
Hedging of net investment, net of tax	501	(327)	(230)	(1 260)	(608)
Other comprehensive income that may subsequently be reclassified to profit or loss, net of tax	(360)	659	152	120	122
Other comprehensive income for the period	**(654)**	**178**	**(199)**	**484**	**122**
Comprehensive income for the period	**4 865**	**5 843**	**4 682**	**4 282**	**3 304**

Balance sheet **DNB Group**

Amounts in NOK million	31 March 2014	31 Dec. 2013 [1)]	30 Sept. 2013 [1)]	30 June 2013 [1)]	31 March 2013 [1)]
Assets					
Cash and deposits with central banks	363 330	167 171	401 560	481 844	397 835
Due from credit institutions	53 845	180 882	29 586	52 673	65 459
Loans to customers	1 343 832	1 340 831	1 332 945	1 329 665	1 315 104
Commercial paper and bonds at fair value	280 730	277 764	286 217	273 832	267 397
Shareholdings	33 477	29 826	26 682	26 270	29 036
Financial assets, customers bearing the risk	36 602	35 512	33 197	30 604	30 059
Financial derivatives	134 188	130 939	128 608	136 577	142 676
Commercial paper and bonds, held to maturity	148 491	152 883	157 213	155 005	155 362
Investment property	31 456	32 485	32 715	33 609	33 220
Investments accounted for by the equity method	5 919	5 802	5 690	5 585	5 260
Intangible assets	6 363	6 511	6 947	6 791	6 774
Deferred tax assets	1 065	1 104	1 369	1 317	1 276
Fixed assets	13 383	12 498	11 215	11 067	11 006
Assets held for sale	252	225	213	211	150
Other assets	29 857	30 806	40 617	36 607	38 140
Total assets	**2 482 789**	**2 405 239**	**2 494 775**	**2 581 657**	**2 498 756**
Liabilities and equity					
Due to credit institutions	257 435	234 219	260 903	318 504	336 528
Deposits from customers	900 180	867 904	925 451	996 372	889 043
Financial derivatives	108 474	111 310	103 209	111 996	112 782
Debt securities issued	745 055	711 555	718 302	695 638	689 923
Insurance liabilities, customers bearing the risk	36 602	35 512	33 197	30 604	30 059
Liabilities to life insurance policyholders in DNB Livsforsikring	221 564	230 906	228 881	227 009	226 367
Insurance liabilities, DNB Skadeforsikring	2 076	1 958	2 036	2 099	2 116
Payable taxes	1 729	3 277	4 221	3 004	8 232
Deferred taxes	3 207	2 654	1 516	1 546	1 280
Other liabilities	27 861	31 934	48 966	39 132	47 644
Liabilities held for sale	89	53	73	68	30
Provisions	1 133	1 454	1 999	1 536	1 280
Pension commitments	4 343	4 001	3 716	3 235	4 055
Subordinated loan capital	26 100	26 276	25 827	19 118	18 610
Total liabilities	**2 335 849**	**2 263 012**	**2 358 297**	**2 449 862**	**2 367 948**
Share capital	16 263	16 278	16 288	16 288	16 270
Share premium reserve	22 609	22 609	22 609	22 609	22 609
Other equity	108 069	103 340	97 581	92 898	91 929
Total equity	**146 941**	**142 227**	**136 477**	**131 795**	**130 807**
Total liabilities and equity	**2 482 789**	**2 405 239**	**2 494 775**	**2 581 657**	**2 498 756**

1) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*

Information about the DNB Group

Head office DNB ASA

Mailing address	P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address	Dronning Eufemias gate 30, Oslo
Telephone	+47 915 03000
Internet	dnb.no
Organisation number	Register of Business Enterprises NO 981 276 957 MVA

Board of Directors in DNB ASA

Anne Carine Tanum, chairman
Tore Olaf Rimmereid, vice-chairman
Jarle Bergo
Bente Brevik
Sverre Finstad
Carl A. Løvvik
Vigdis Mathisen
Berit Svendsen

Group management

Rune Bjerke	Group chief executive
Bjørn Erik Næss	Chief financial officer
Trond Bentestuen	Group executive vice president Personal Banking Norway
Kjerstin Braathen	Group executive vice president Corporate Banking Norway
Harald Serck-Hanssen	Group executive vice president Large Corporates and International
Ottar Ertzeid	Group executive vice president DNB Markets
Tom Rathke	Group executive vice president Wealth Management
Kari Olrud Moen	Group executive vice president Products
Liv Fiksdahl	Group executive vice president IT and Operations
Solveig Hellebust	Group executive vice president HR
Trygve Young	Group executive vice president Risk Management
Thomas Midteide	Group executive vice president Corporate Communications

Investor Relations

Bjørn Erik Næss, chief financial officer	tel. +47 4150 5201	bjorn.erik.naess@dnb.no
Per Sagbakken, head of Investor Relations	tel. +47 2326 8400	per.sagbakken@dnb.no
Jan Erik Gjerland	tel. +47 2326 8408	jan.gjerland@dnb.no
Yvonne Angel	tel. +47 2326 8402	yvonne.angel@dnb.no

Financial calendar 2014

Preliminary results 2013 and fourth quarter 2013	6 February
Annual General Meeting	24 April
Ex-dividend date	25 April
Distribution of dividends	as of 8 May
First quarter 2014	8 May
Second quarter 2014	10 July
Third quarter 2014	23 October

Other sources of information

Annual and quarterly reports

Separate annual and quarterly reports are prepared for the DNB Bank Group, DNB Boligkreditt, DNB Næringskreditt and DNB Livsforsikring. The reports and the Fact Book are available on dnb.no. Annual and quarterly reports can be ordered by sending an e-mail to investor.relations@dnb.no.

Download DNB's IR app for stock-related information from http://m.euroland.com/n-dnb/en or by scanning the QR code

The quarterly report has been produced by Group Financial Reporting in DNB. Translation: Gina Fladmoe, DNB.
Cover design: Itera Gazette / Photo: Kimm Saatvedt

DNB

Mailing address:
P.O.Box 1600 Sentrum
N-0021 Oslo

Visiting address:
Dronning Eufemias gate 30
Bjørvika, Oslo

dnb.no