

A man and a woman are walking on a city street. The woman is wearing a light-colored trench coat over a striped shirt and dark pants, carrying a black bag. The man is wearing a dark suit and glasses, carrying a brown leather bag. They are walking towards the right. In the background, there are other pedestrians and a brick building. The image has a diagonal split, with a teal color on the left and a dark blue color on the right.

Q1

RESULTS DNB GROUP FIRST QUARTER 2014

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)

DNB

First quarter 2014

Pre-tax operating profit before impairment in NOK billion

7.4 (5.1)

Cost/income ratio in per cent

41.3 (52.0)

Return on equity in per cent

15.5 (10.0)

Earnings per share

3.39 (1.96)

Common equity Tier 1 capital ratio in per cent (transitional rules)

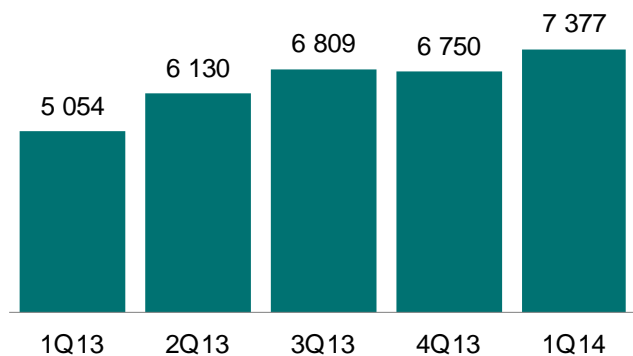
11.9 (10.6)¹⁾

Figures in parentheses refer to 1Q13

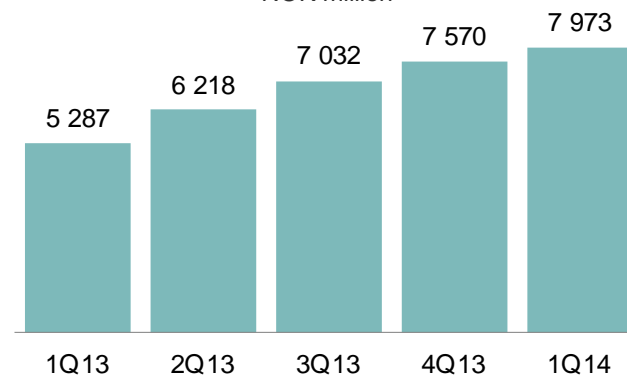
1) Including 50 per cent of profit for the period

Quarterly profit figures

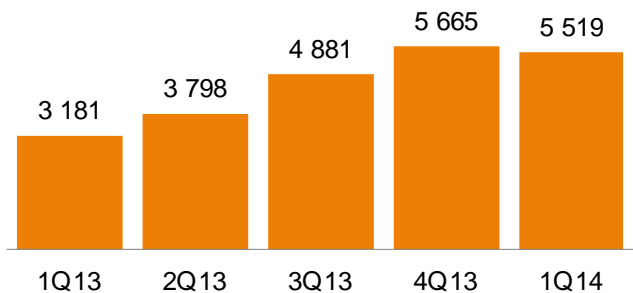
Pre-tax operating profit before impairment
NOK million



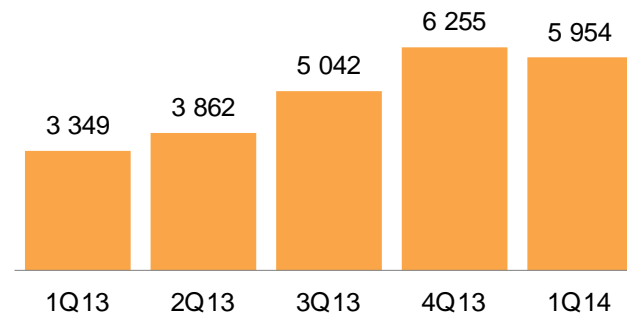
**Pre-tax operating profit before impairment
excl. basis swaps**
NOK million



Profit for the period
NOK million



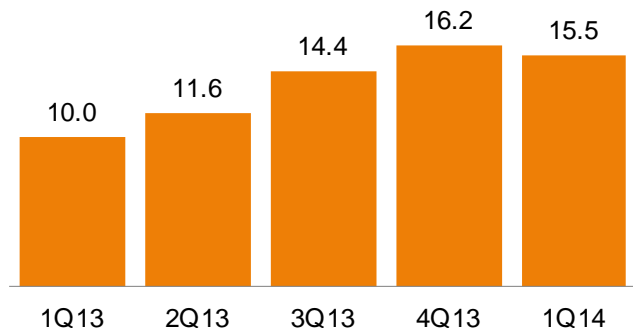
**Profit for the period
excl. basis swaps**
NOK million



Return on equity and cost/income ratio

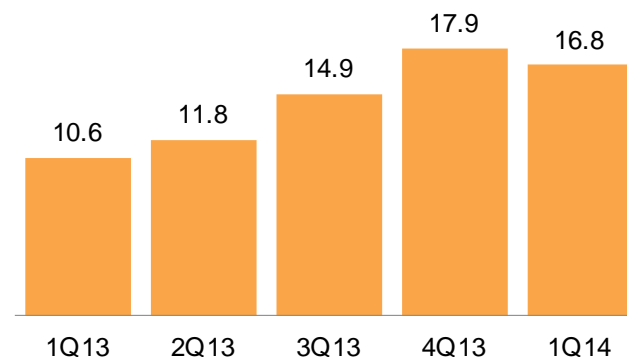
Return on equity

Per cent



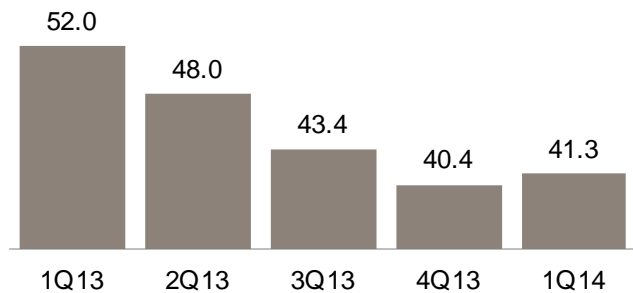
Return on equity excl. basis swaps

Per cent



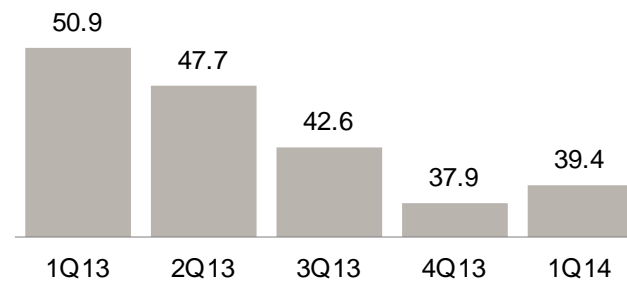
Cost/income ratio

Per cent



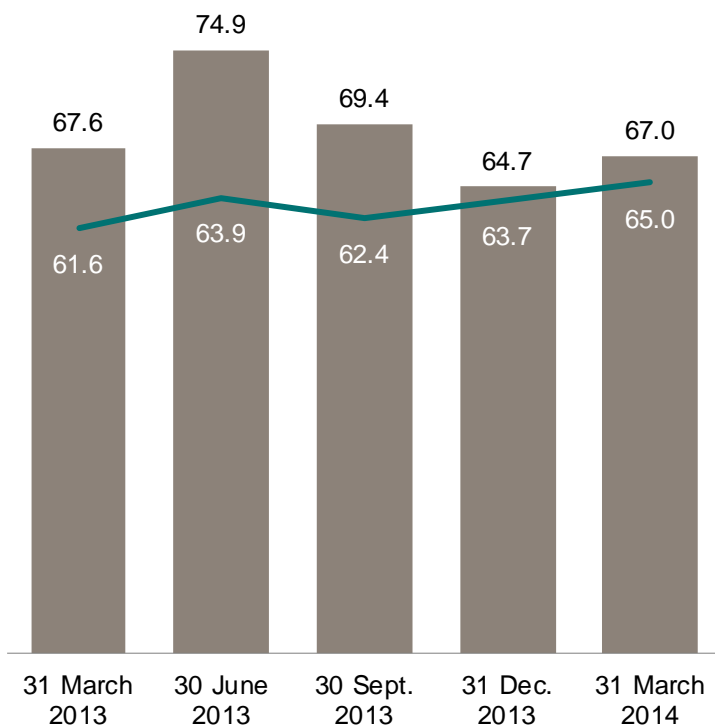
Cost/income ratio excl. basis swaps

Per cent

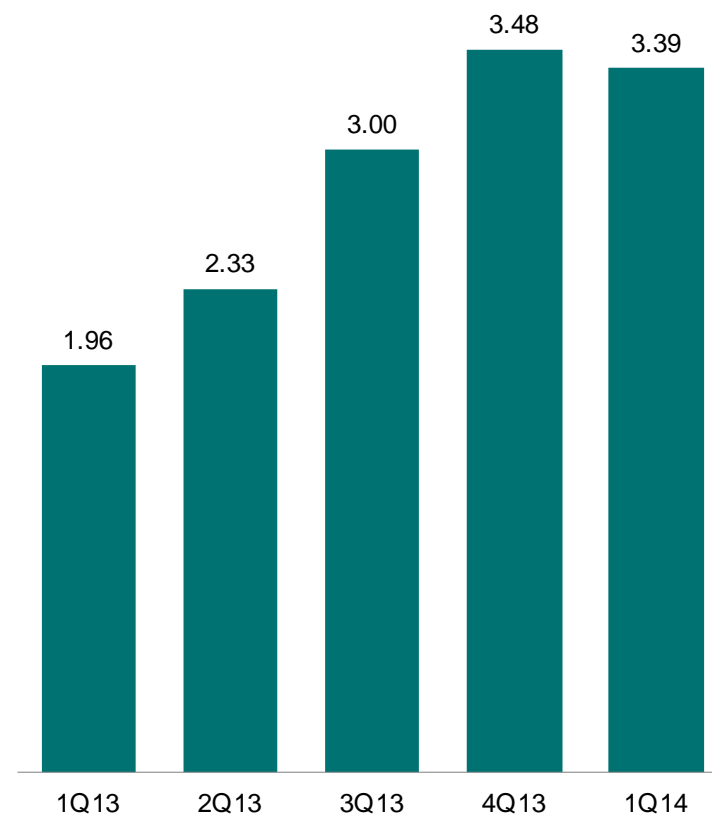


Ratio of deposits to net loans and earnings per share

Ratio of deposits to net loans
Per cent



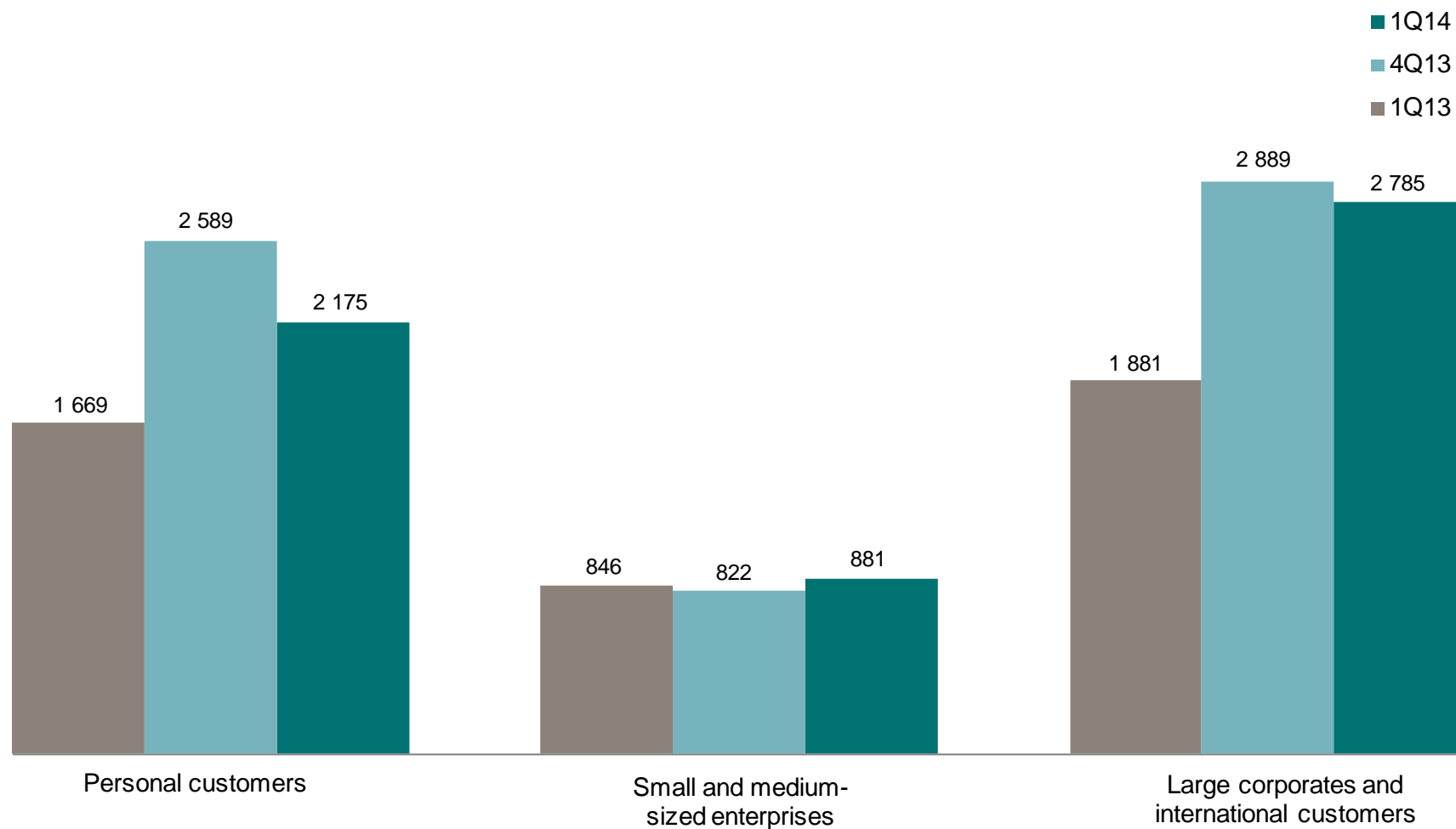
Earnings per share
NOK



Customer segments

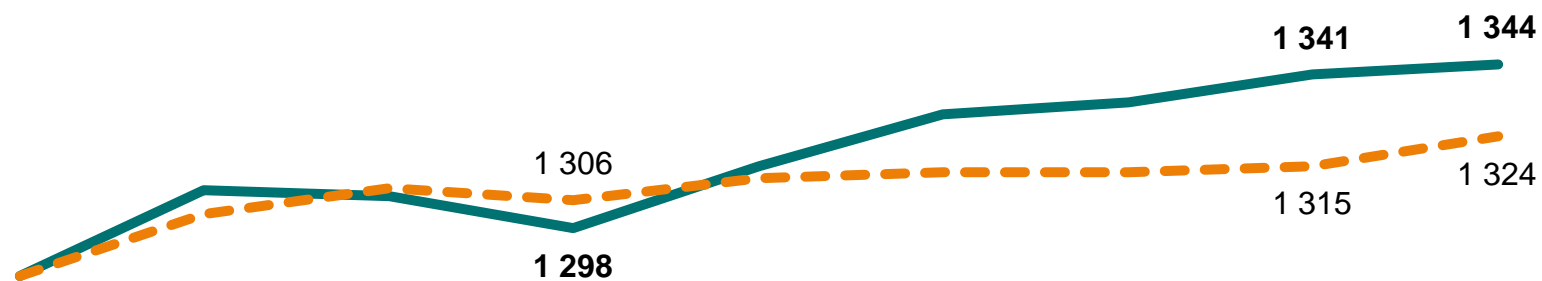
NOK million

Pre-tax operating profit after impairment



Development in loans

NOK billion

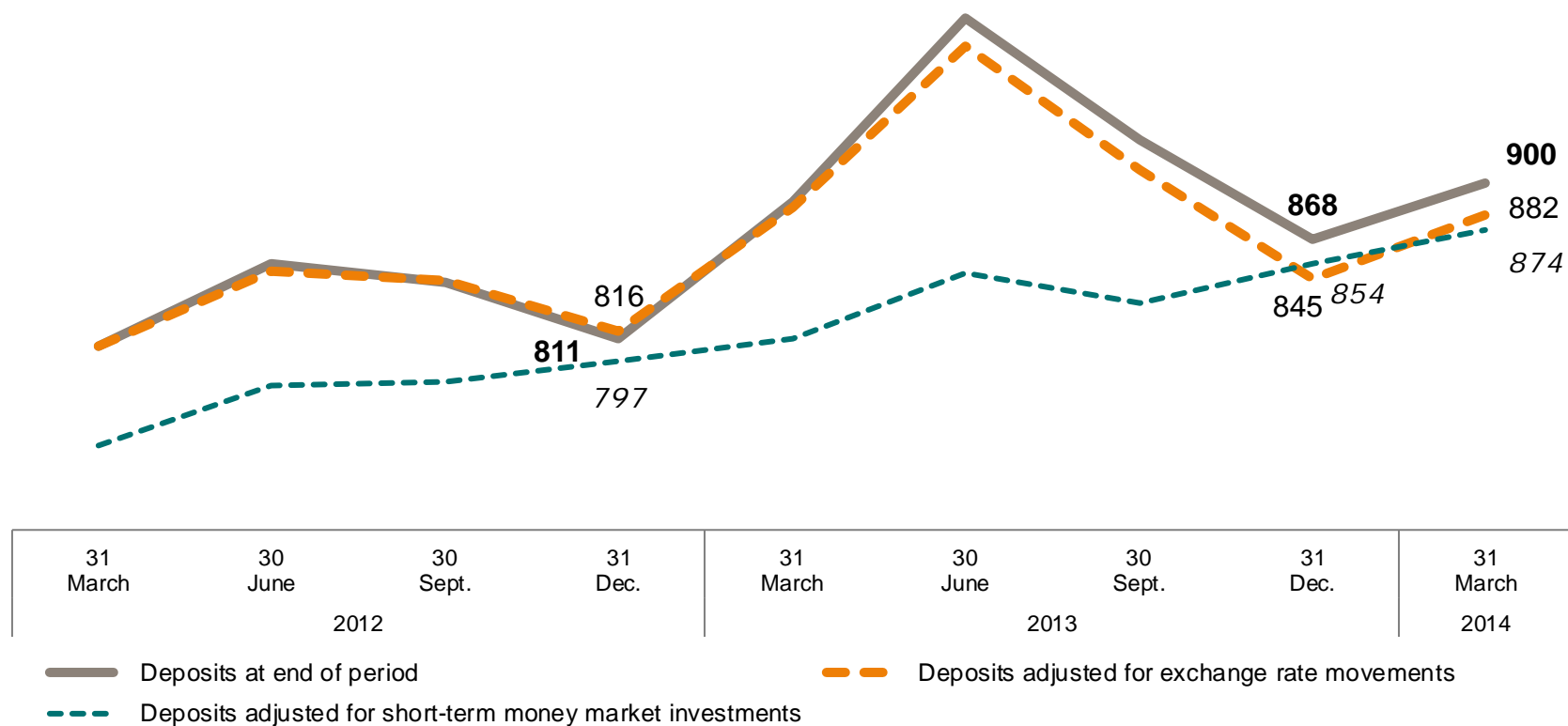


31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March
2012				2013				2014

- Loans at end of period
- Loans adjusted for exchange rate movements

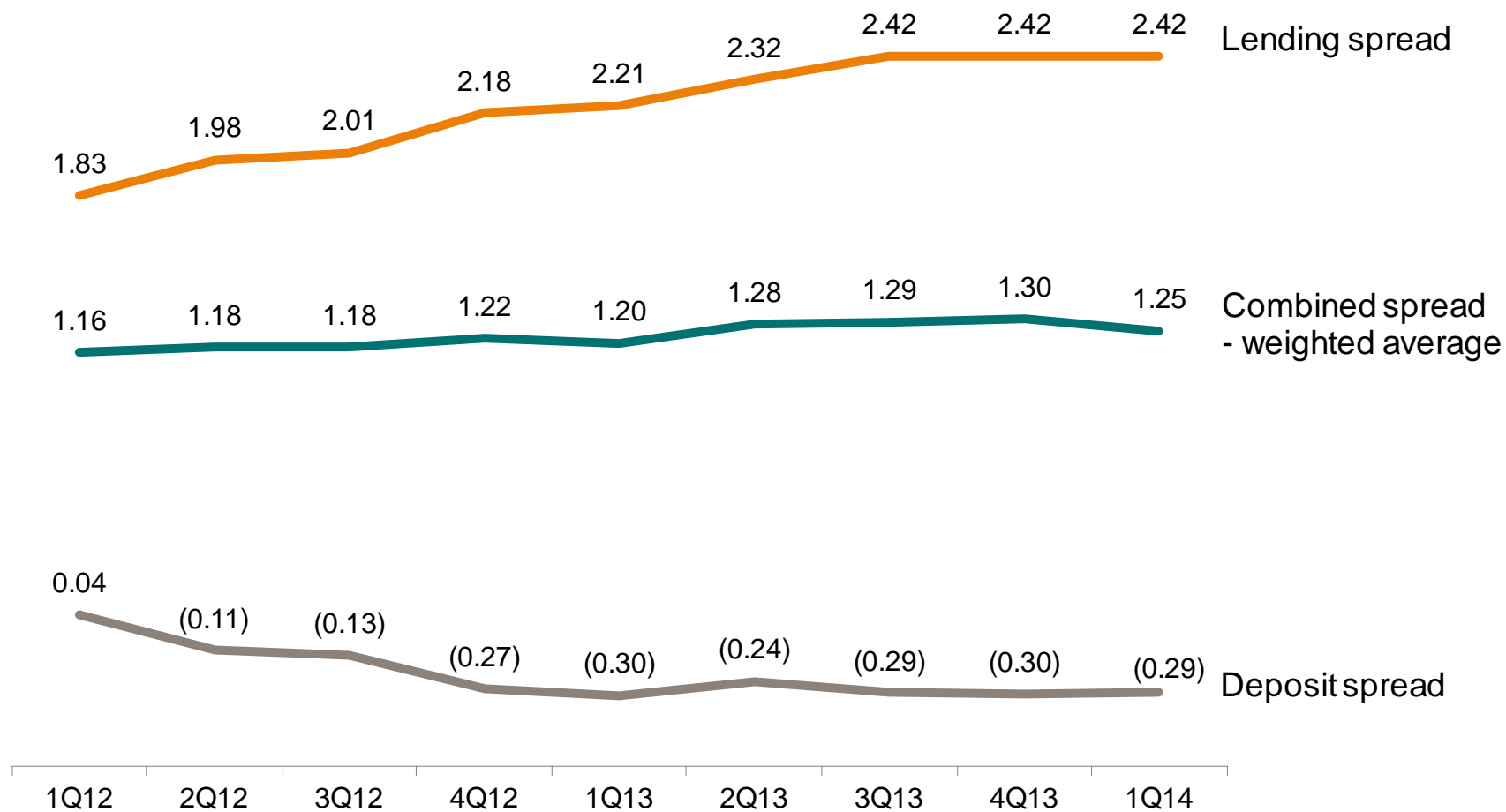
Development in deposits

NOK billion



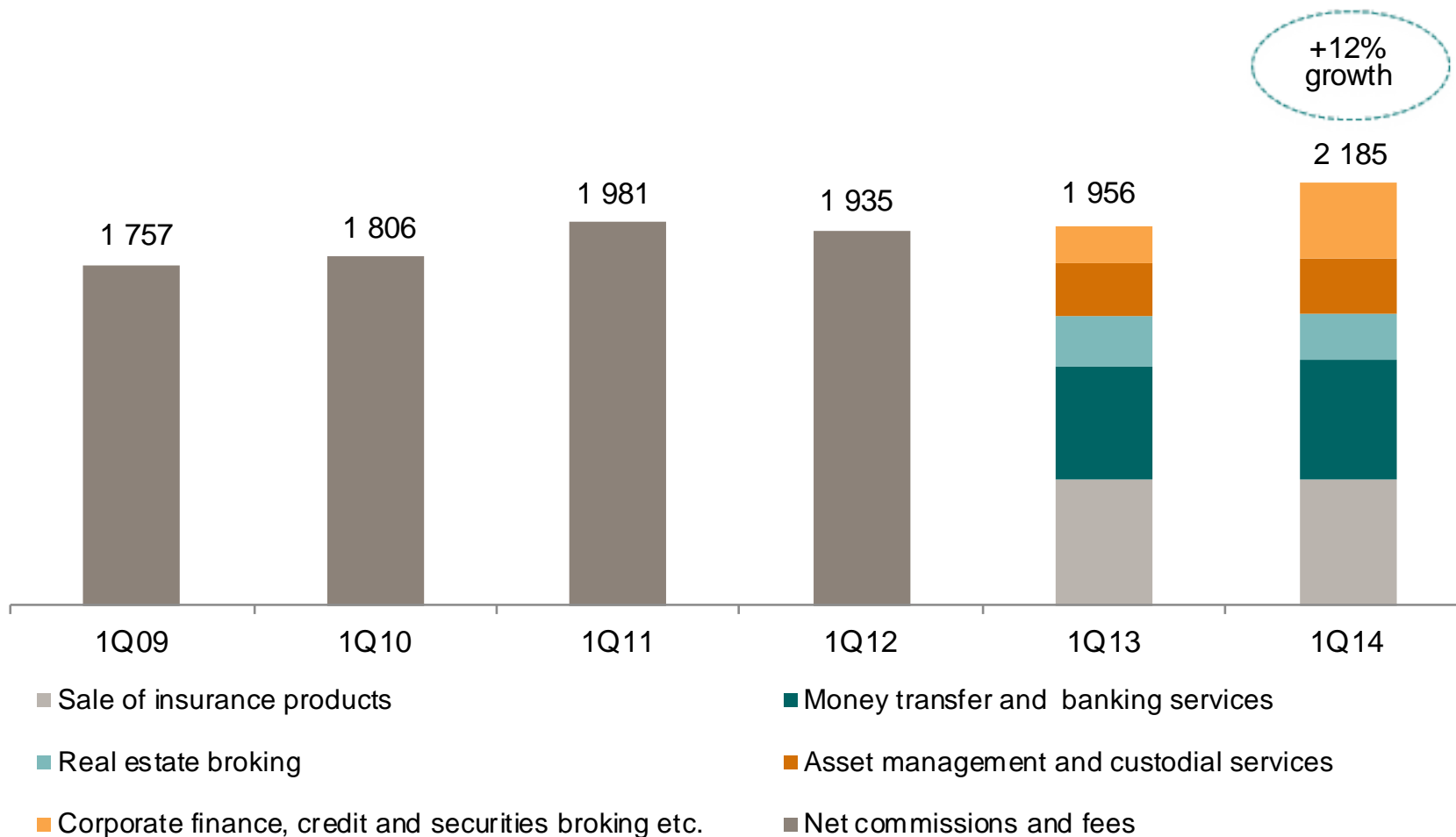
Development in average interest rate spreads

Per cent



Development in commissions and fees

NOK million



Income statement

Amounts in NOK million	1Q14	4Q13	3Q13	2Q13	1Q13	Full year 2013
Net interest income	7 691	7 940	7 915	7 480	6 857	30 192
<i>Net commissions and fees</i>	2 185	2 147	2 182	2 252	1 956	8 537
<i>Net gains on financial instruments at fair value</i>	2 089	1 342	1 264	1 363	1 063	5 032
<i>Net financial and risk result, DNB Livsforsikring</i>	105	365	205	230	220	1 021
<i>Net insurance result, DNB Skadeforsikring</i>	102	122	102	119	75	418
<i>Other operating income</i>	397	343	364	346	368	1 420
Net other operating income, total	4 877	4 318	4 117	4 310	3 682	16 427
Total income	12 569	12 258	12 032	11 790	10 539	46 619
Operating expenses	5 168	5 163	4 987	5 010	5 026	20 186
Restructuring costs and non-recurring effects	24	(212)	236	650	8	682
Expenses relating to debt-financed structured products	0	0	0	0	450	450
Impairment losses for goodwill and intangible assets	0	557	0	0	0	557
Pre-tax operating profit before impairment	7 377	6 750	6 809	6 130	5 054	24 744
Net gains on fixed and intangible assets	0	153	2	(9)	4	151
Impairment of loans and guarantees	80	36	475	937	737	2 185
Pre-tax operating profit	7 297	6 868	6 337	5 184	4 321	22 709
Tax expense	1 758	1 212	1 448	1 379	1 149	5 188
Profit from operations held for sale, after taxes	(19)	9	(7)	(7)	10	4
Profit for the period	5 519	5 665	4 881	3 798	3 181	17 526

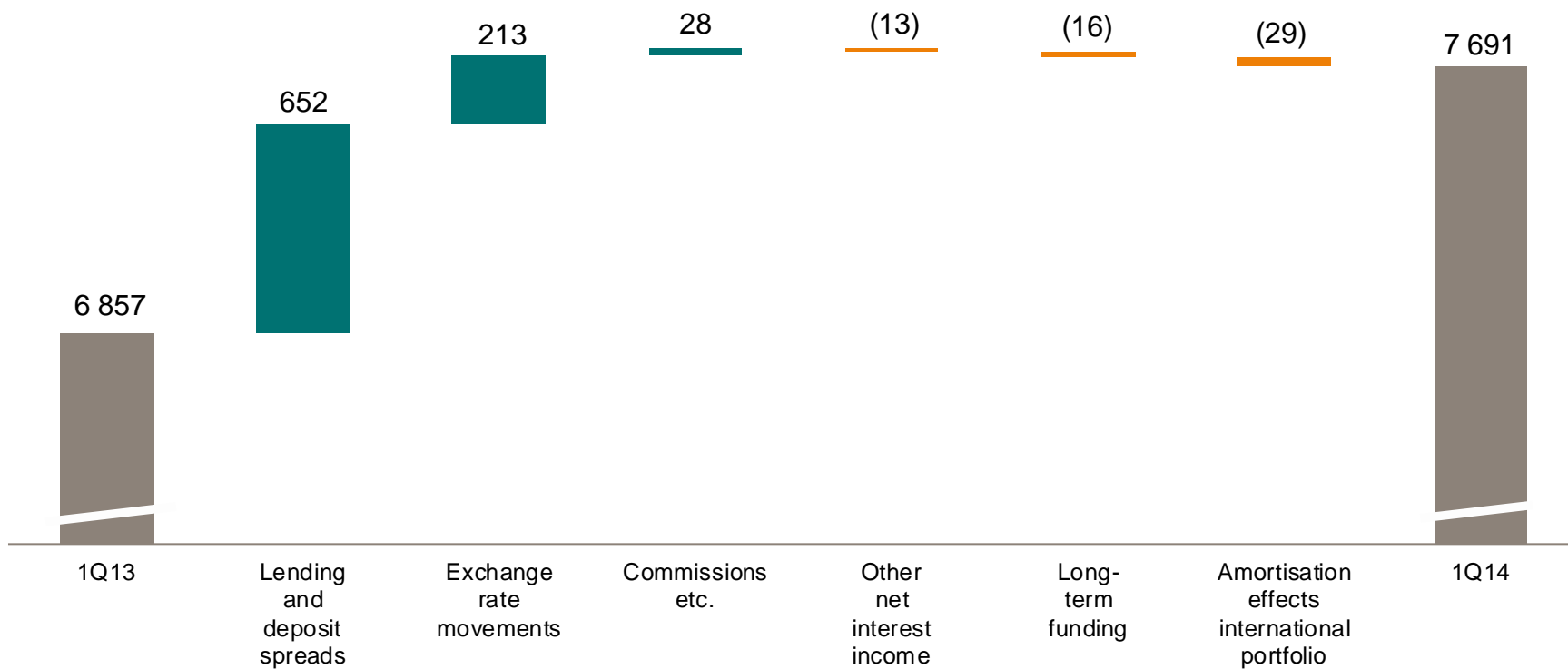
Special items

Amounts in NOK million	1Q14	4Q13	3Q13	2Q13	1Q13	Full year 2013
Mark-to-market adjustments - basis swaps	(596)	(819)	(223)	(88)	(233)	(1 364)
Net mark-to-market adjustments - other items	(143)	(51)	83	(67)	32	(3)
Impairment losses for goodwill and intangible assets	0	557	0	0	0	557
Expenses relating to debt-financed structured products	0	0	0	0	450	450
Effect on pre-tax operating profit before impairment	(739)	(1 428)	(140)	(155)	(651)	(2 374)

Changes in net interest income

NOK million

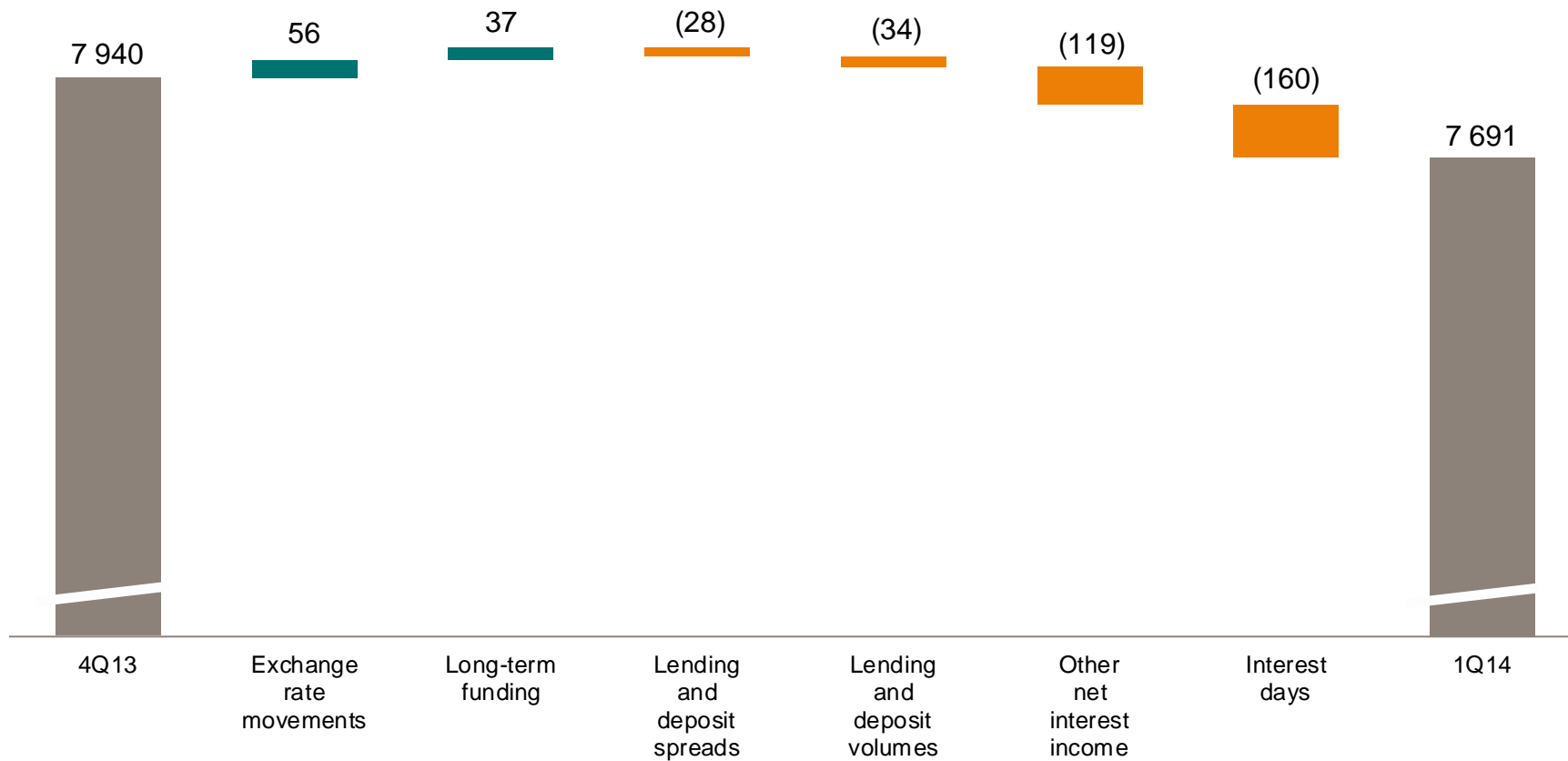
From 1st quarter 2013 to 1st quarter 2014



Changes in net interest income

NOK million

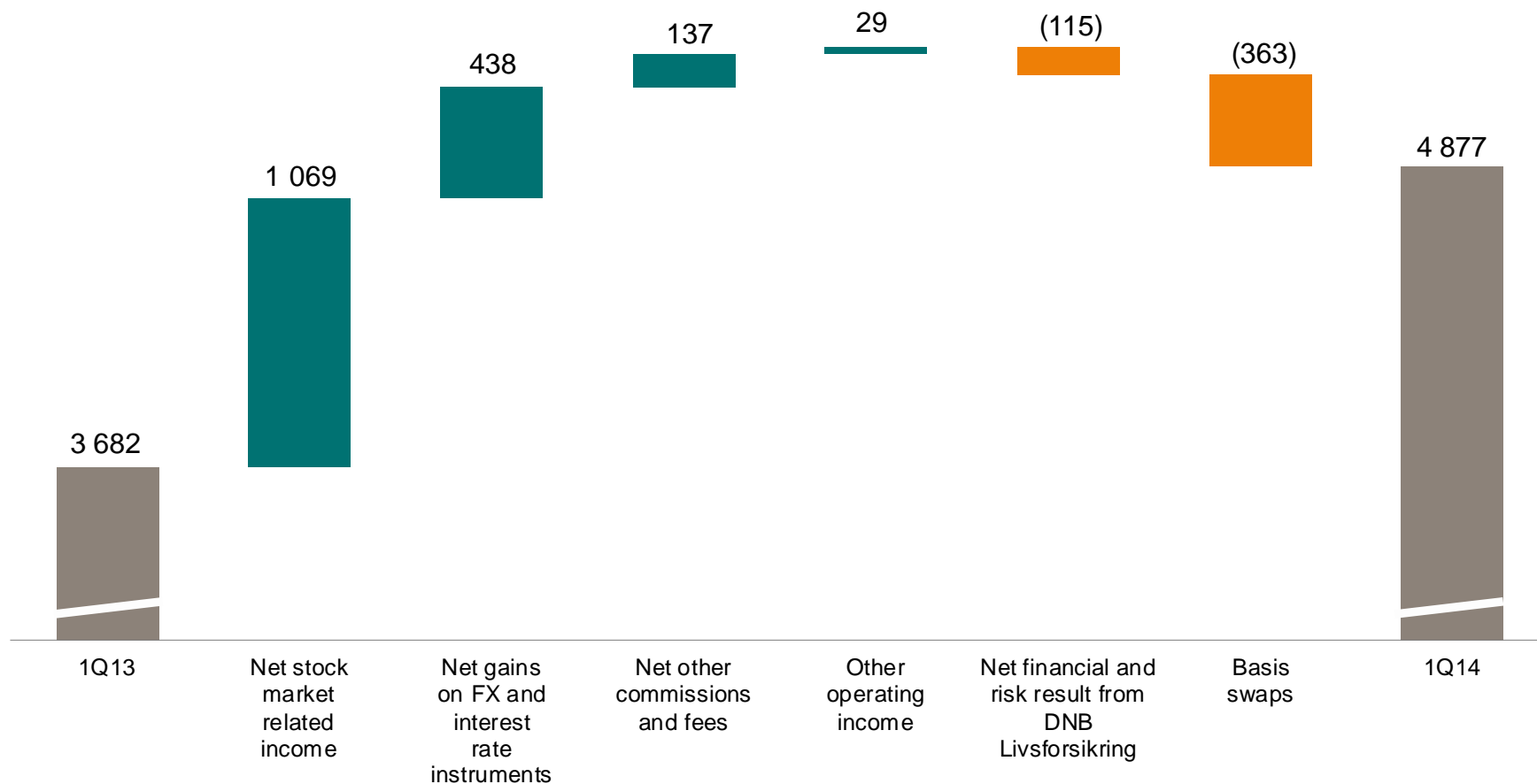
From 4th quarter 2013 to 1st quarter 2014



Changes in net other operating income

NOK million

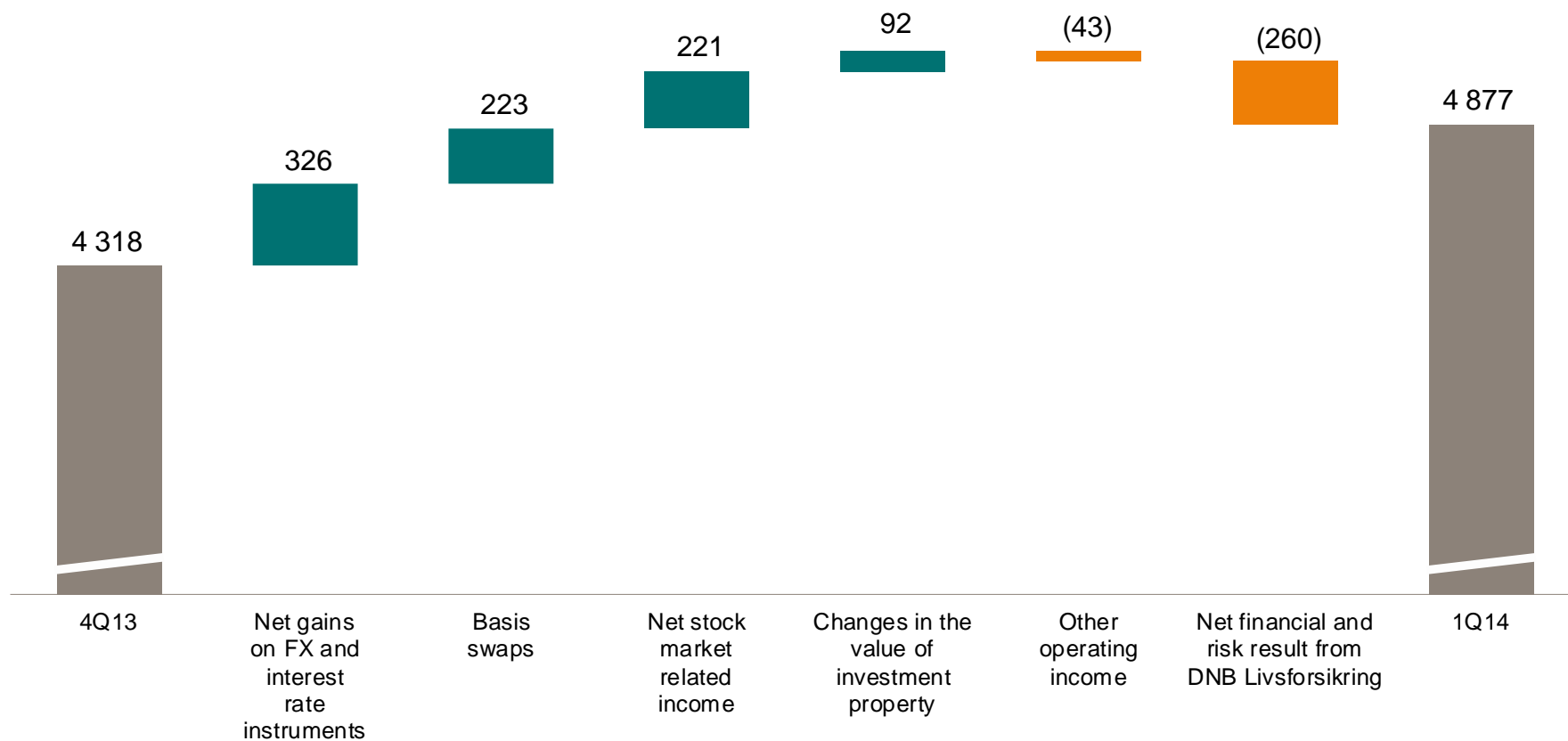
From 1st quarter 2013 to 1st quarter 2014



Changes in net other operating income

NOK million

From 4th quarter 2013 to 1st quarter 2014



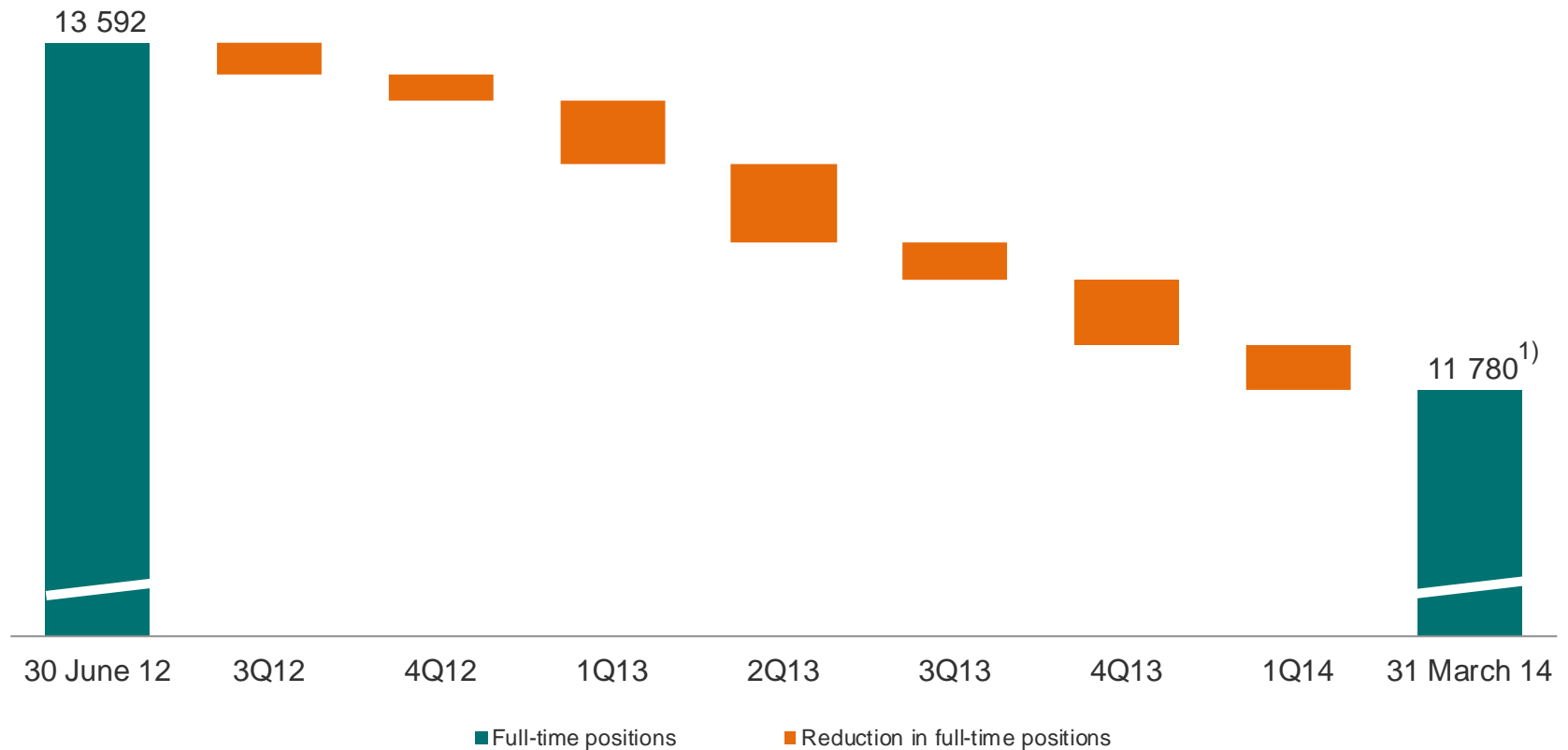
Changes in operating expenses

Amounts in NOK million	1Q14	Change	1Q13	Change in per cent
Total adjusted operating expenses	5 168	142	5 026	2.8
Income-related costs				
Ordinary depreciation on operational leasing		25		
Expenses directly related to operations				
Pension expenses		(20)		
IT expenses		77		
Marketing		19		
Other costs		42		
Non-recurring effects	24	(435)	458	
Restructuring costs - employees	46	18	28	
Other restructuring costs and non-recurring effects	(22)	(3)	(20)	
Provisions for debt-financed structured products	0	(450)	450	
Operating expenses	5 192	(293)	5 485	(5.3)

Changes in operating expenses

Amounts in NOK million	1Q14	Change	4Q13	Change in per cent
Total adjusted operating expenses	5 168	6	5 163	0.1
Expenses directly related to operations				
Performance-based pay		(46)		
Fees		(65)		
Travel expenses		(31)		
IT expenses		143		
Pension expenses		50		
Other costs		(45)		
Non-recurring effects	24	(322)	345	
Restructuring costs - employees	46	5	41	
Other restructuring costs and non-recurring effects	(22)	74	(97)	
Impairment losses for goodwill and capitalised systems development	0	(557)	557	
Reversal of provisions	0	157	(157)	
Operating expenses	5 192	(316)	5 508	(5.7)

Development in staff levels



1) The estimate presented on the CMD 2012 was 12 000 full-time positions at year-end 2014

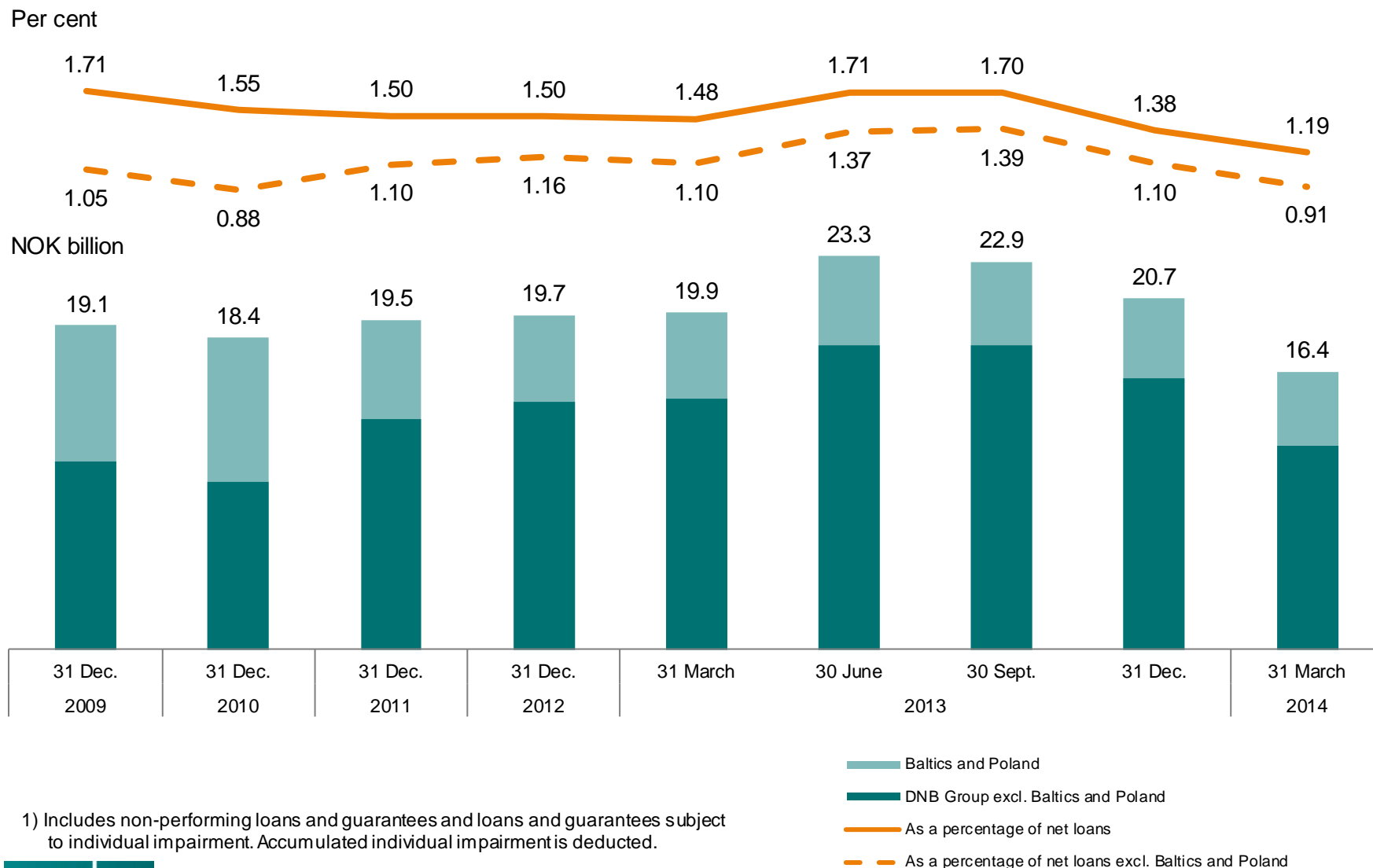
Impairment of loans and guarantees

Amounts in NOK million	1Q14	4Q13	3Q13	2Q13	1Q13	Full year 2013
<i>Individual impairment:</i>						
Personal customers						
- Mortgage loans	(16)	36	15	17	9	77
- Consumer finance	66	37	38	121	88	284
Small and medium-sized enterprises	73	207	119	156	82	564
Large corporates and international customers						
- Nordic Corporates Division	(56)	67	32	61	(24)	136
- International Corporates Division	56	86	51	82	8	228
- Shipping, Offshore and Logistics Division	152	(271)	225	198	347	500
- Energy Division	24	(17)	2	66	1	52
- Baltics, Russia and Poland	31	93	189	83	105	471
- Other units	3	(3)	1	6	0	4
Total individual impairment	332	236	674	791	616	2 318
<i>Collective impairment:</i>						
DNB excl. Baltics, Russia and Poland	(227)	(171)	(174)	173	159	(13)
Baltics, Russia and Poland	(25)	(29)	(25)	(27)	(38)	(119)
Total collective impairment of loans	(252)	(200)	(199)	146	121	(133)
Impairment of loans and guarantees	80	36	475	937	737	2 185

Impairment in per cent of loans

Per cent	1Q14	4Q13	3Q13	2Q13	1Q13	Full year 2013
Total impairment in relation to average volumes (annual basis)	0.02	0.01	0.14	0.29	0.23	0.17
- DNB excl. Baltics and Poland	0.02	(0.01)	0.10	0.28	0.22	0.14
- Baltics and Poland	0.03	0.44	1.18	0.47	0.51	0.65

Net non-performing and net doubtful loans and guarantees ¹⁾



Balance sheets

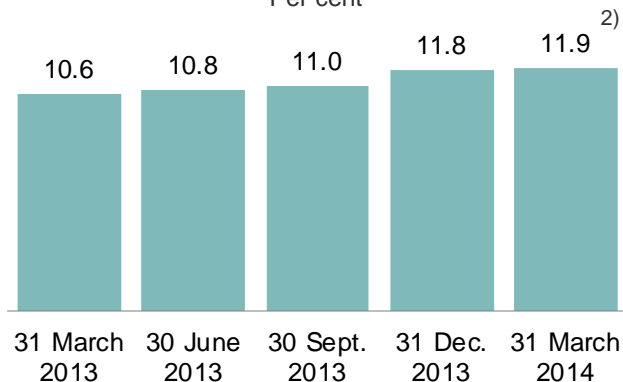
Amounts in NOK billion	DNB Group		DNB Bank ASA	
	31 March 2014	31 Dec. 2013	31 March 2014	31 Dec. 2013
Deposits with central banks	363	167	361	163
Due from credit institutions	54	181	283	399
Loans to customers	1 344	1 341	681	680
Other assets	722	716	565	583
Total assets	2 483	2 405	1 890	1 826
Due to credit institutions	257	234	305	281
Deposits from customers	900	868	865	849
Short-term debt securities issued	211	184	211	184
Long-term debt securities issued	535	528	165	169
Other liabilities and provisions	433	449	226	228
Equity	147	142	119	115
Total liabilities and equity	2 483	2 405	1 890	1 826
Ratio of deposits to net loans (%)	67.0	64.7	127.1	124.9
Adjusted ratio of deposits to net loans (%) ¹⁾	65.0	63.7	123.2	122.9
Total combined assets	2 740	2 656	1 890	1 826
Currency-adjusted loans to customers	1 349		684	
Currency-adjusted deposits from customers	904		868	

1) Excluding short-term money market deposits

Common equity Tier 1 capital ratio ¹⁾

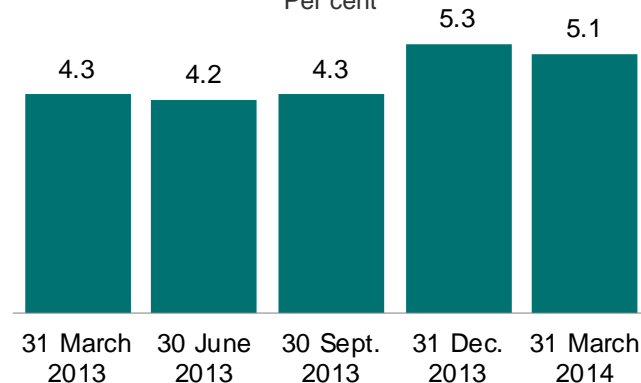
CET1 transitional rules

Per cent



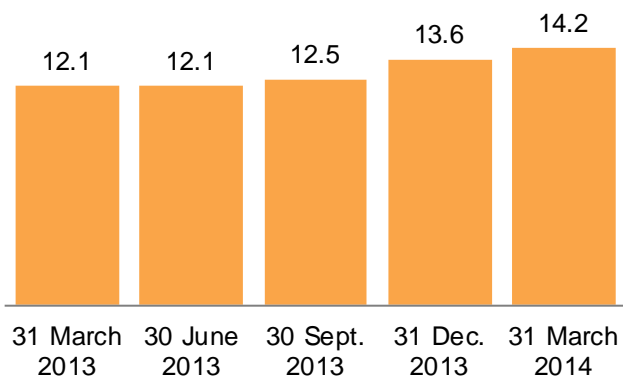
Leverage ratio Basel III ³⁾

Per cent



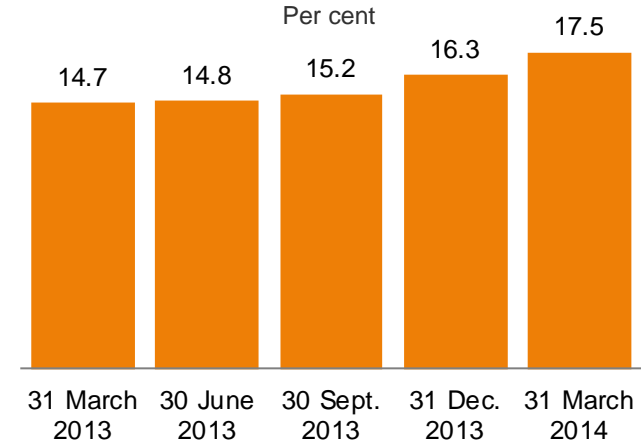
CET1 Basel III estimate

Per cent



Basel III applying average weights used by Swedish banks ⁴⁾

Per cent



- 1) Including 50 per cent of profit for the period, except for the full year figures
- 2) 12.1 per cent if 75 per cent of profit for the period is included

- 3) Calculated according to CRD IV rules
- 4) Estimated common equity Tier 1 capital ratio according to Basel III, applying average weights used by Swedish banks

Future prospects

The build-up of Tier 1 capital is on schedule, and regulatory uncertainty has been reduced

The ambition to achieve 3-4 per cent trailing 12-month lending growth and stable volume-weighted spreads remains firm

There will be a high level of activity in all customer segments and a continued increase in commissions

Underlying nominal costs are expected to be stable in the period up to 2016, and the cost/income ratio will remain highly competitive

Credit quality will improve further, and losses are expected to be well below normalised levels



DNB