



Q4

RESULTS DNB GROUP FOURTH QUARTER 2014

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)

Full year 2014

Pre-tax operating profit before impairment in NOK billion

28.7 (24.7)

Cost/income ratio in per cent

41.9 (45.7)

Return on equity in per cent

13.8 (13.1)

Earnings per share

12.67 (10.75)

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

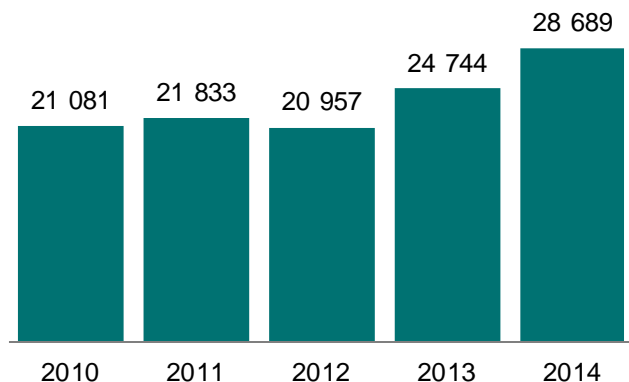
12.7 (11.8)

Proposed dividend in NOK

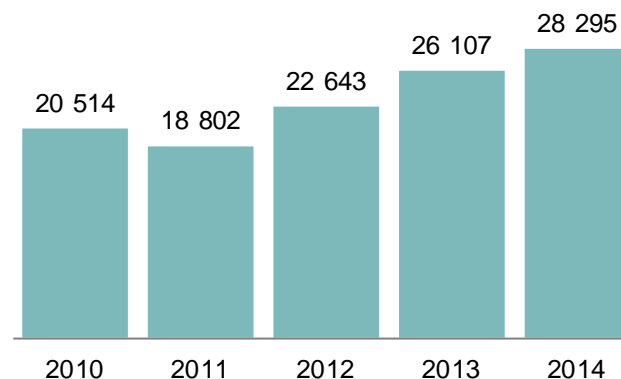
3.80 (2.70)

Profit figures last five years

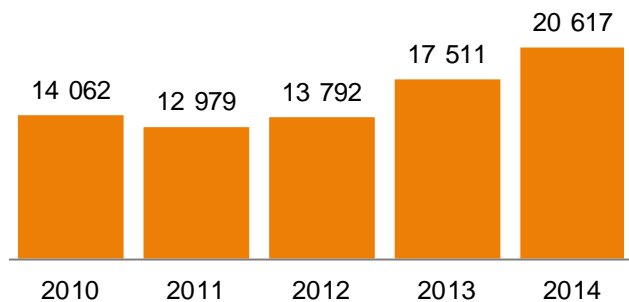
Pre-tax operating profit before impairment
NOK million



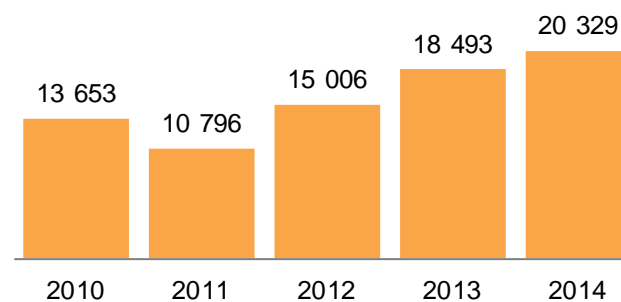
**Pre-tax operating profit before impairment
excl. basis swaps**
NOK million



Profit for the period
NOK million



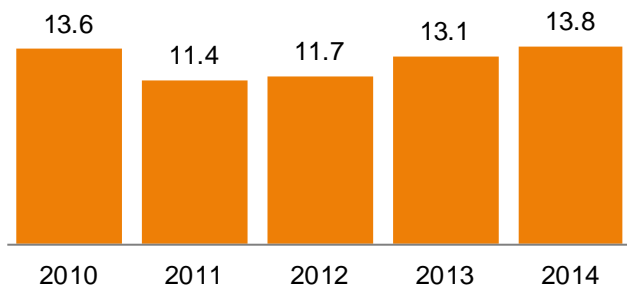
**Profit for the period
excl. basis swaps**
NOK million



Return on equity and cost/income ratio last five years

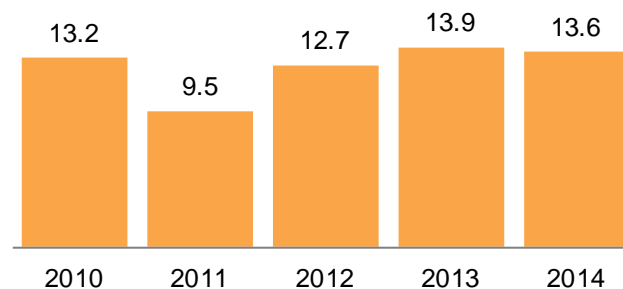
Return on equity

Per cent



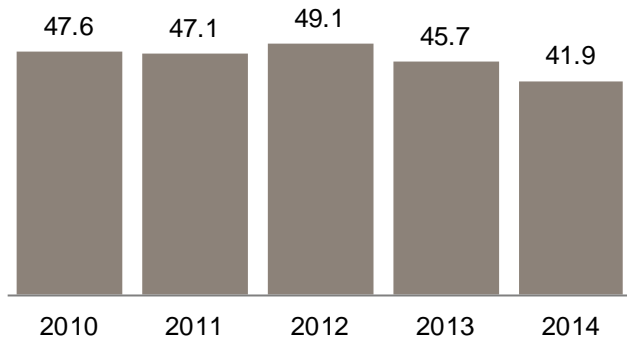
Return on equity excl. basis swaps

Per cent



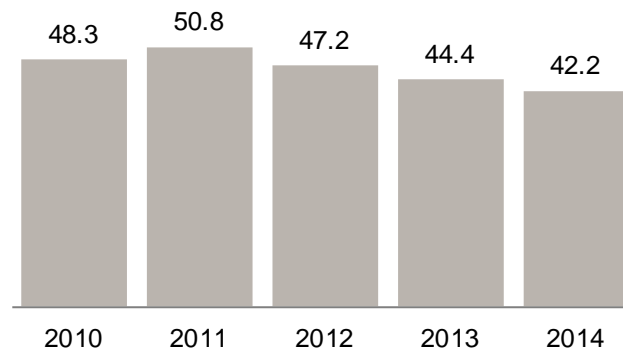
Cost/income ratio

Per cent



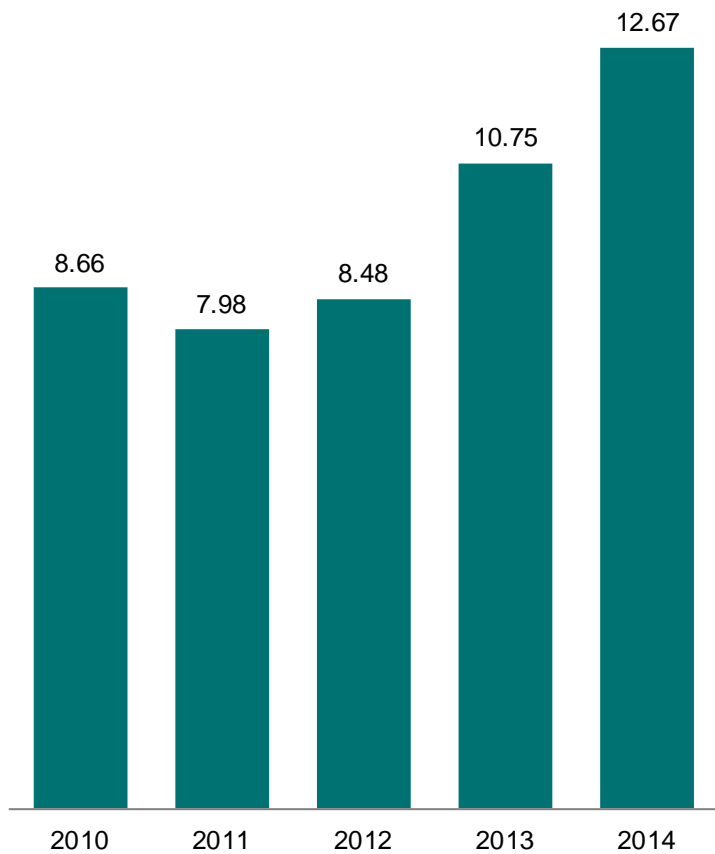
Cost/income ratio excl. basis swaps

Per cent

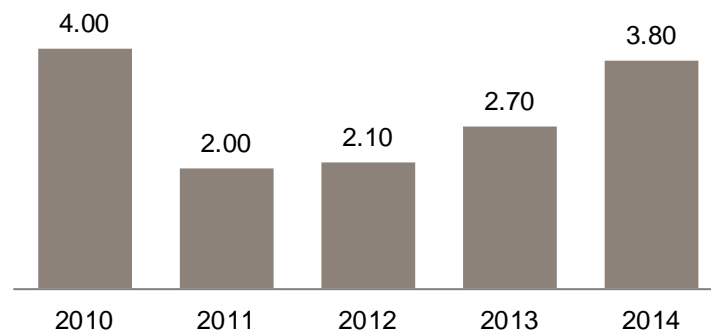


Earnings and dividend per share last five years

Earnings per share
NOK



Dividend per share
NOK

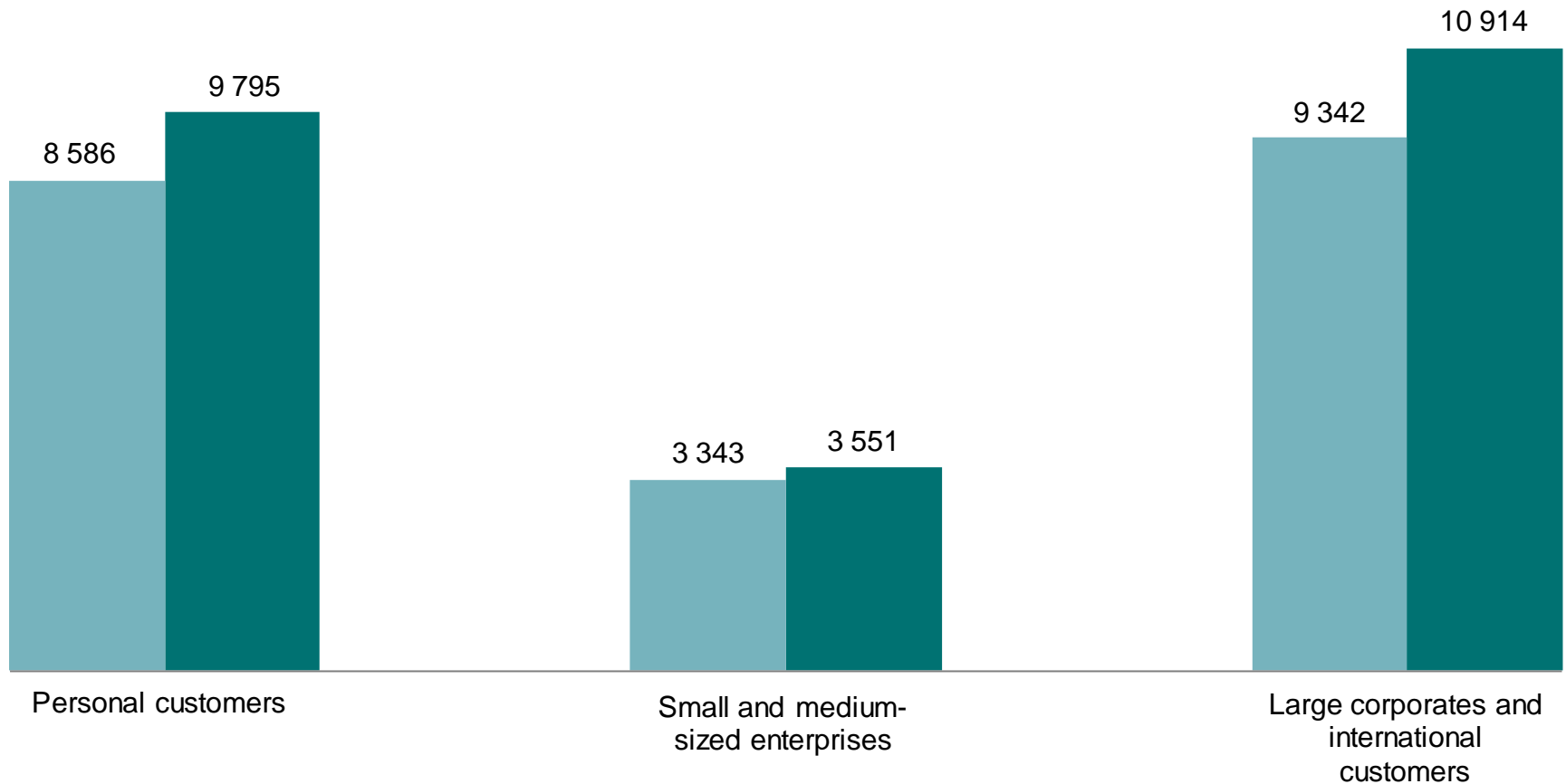


Customer segments

NOK million

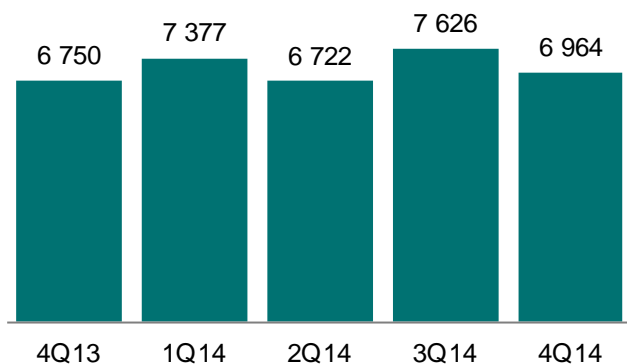
Pre-tax operating profit after impairment

■ Full year 2014
■ Full year 2013

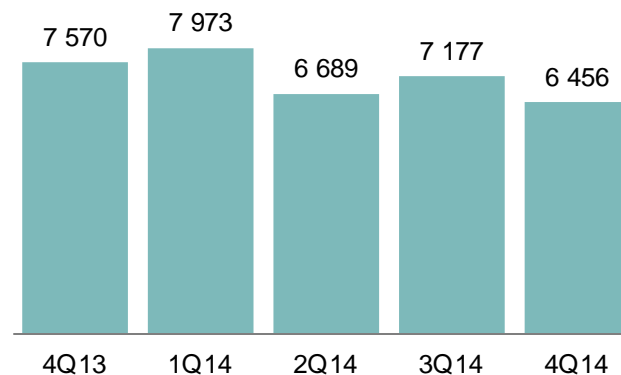


Profit figures per quarter

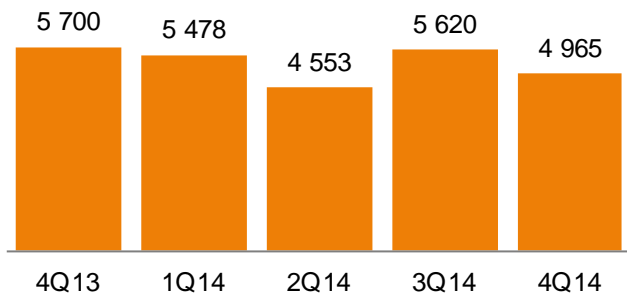
Pre-tax operating profit before impairment
NOK million



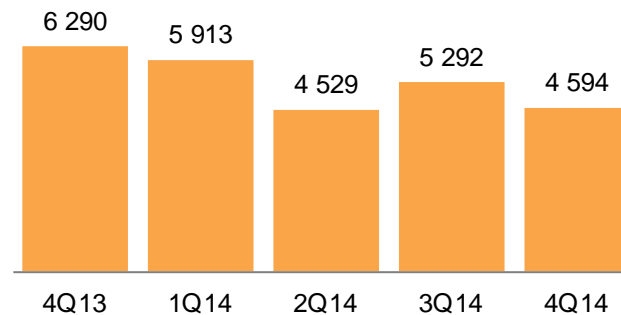
**Pre-tax operating profit before impairment
excl. basis swaps**
NOK million



Profit for the period
NOK million



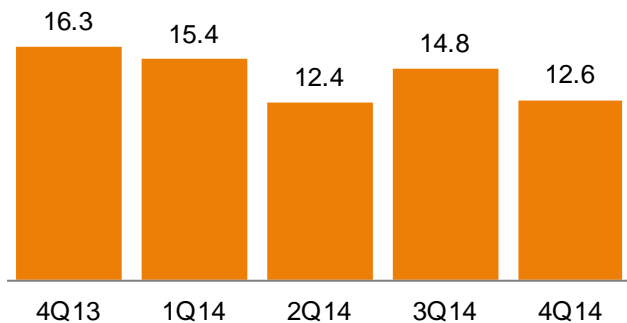
**Profit for the period
excl. basis swaps**
NOK million



Return on equity and cost/income ratio per quarter

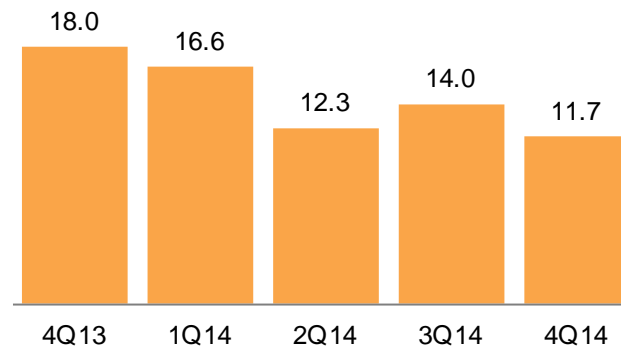
Return on equity

Per cent



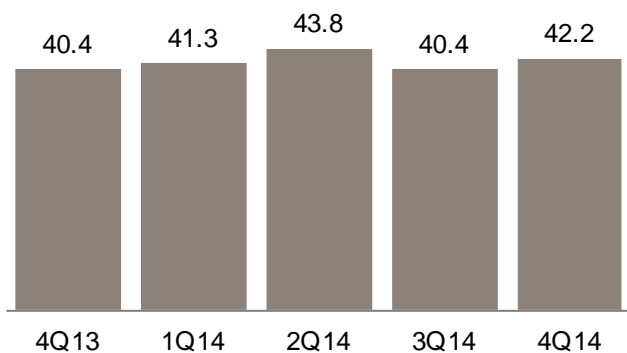
Return on equity excl. basis swaps

Per cent



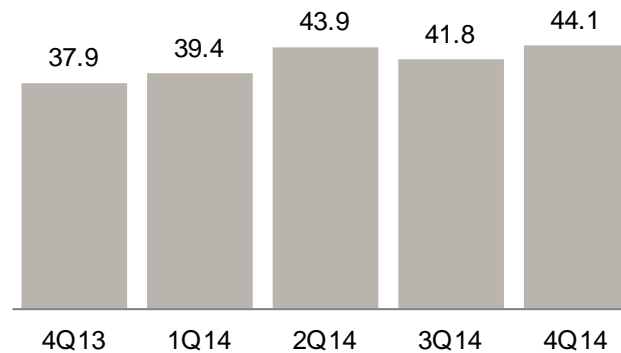
Cost/income ratio

Per cent



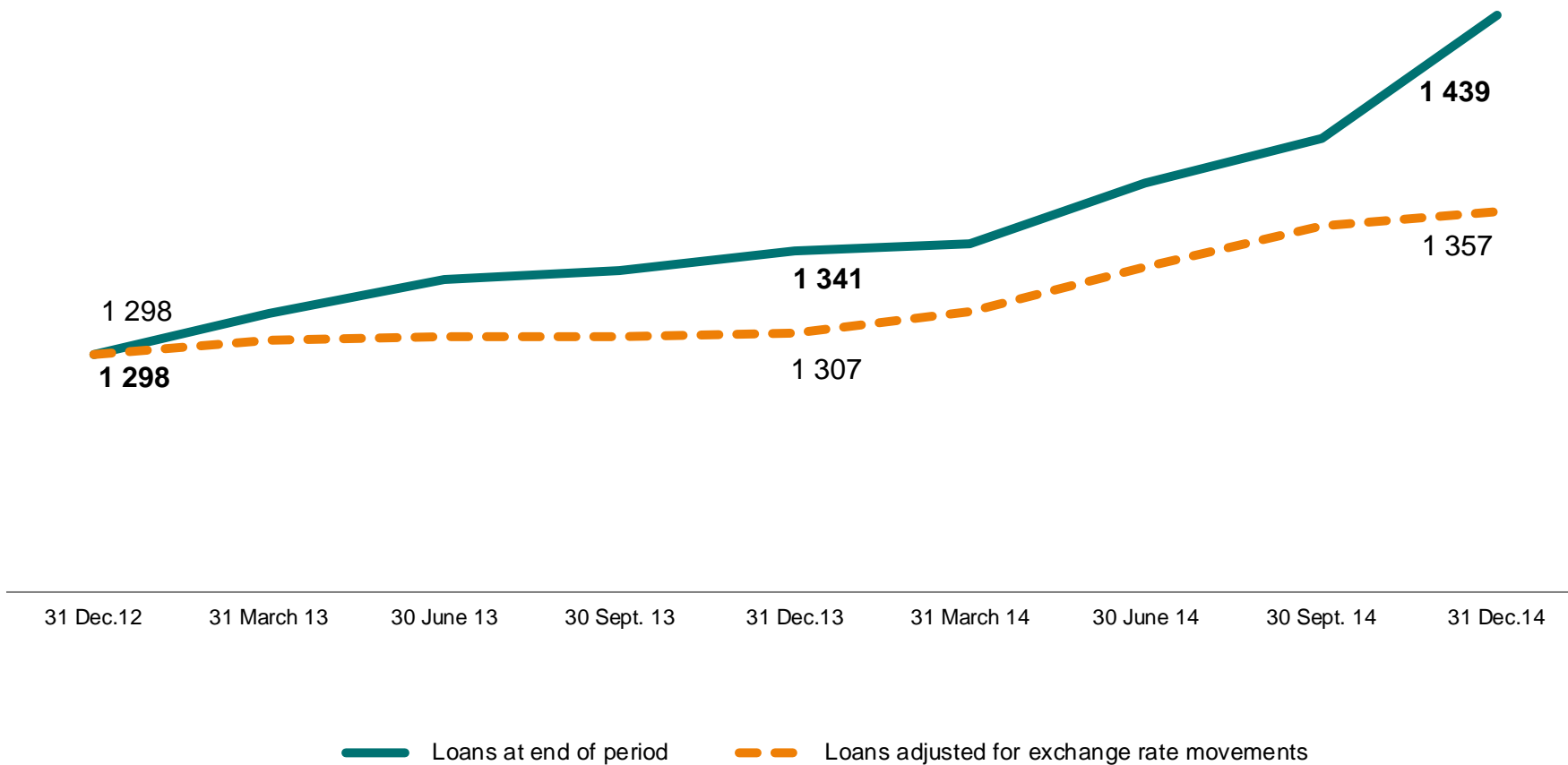
Cost/income ratio excl. basis swaps

Per cent



Development in loans

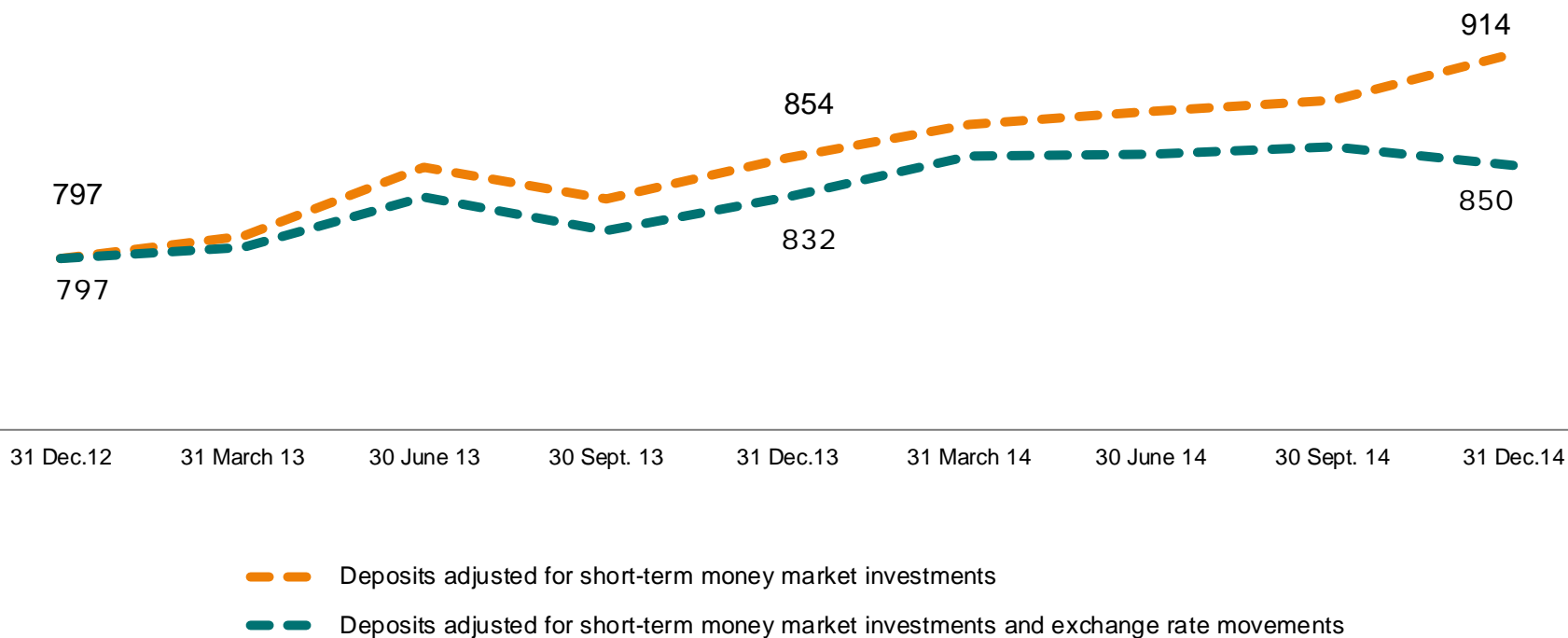
NOK billion



Development in deposits

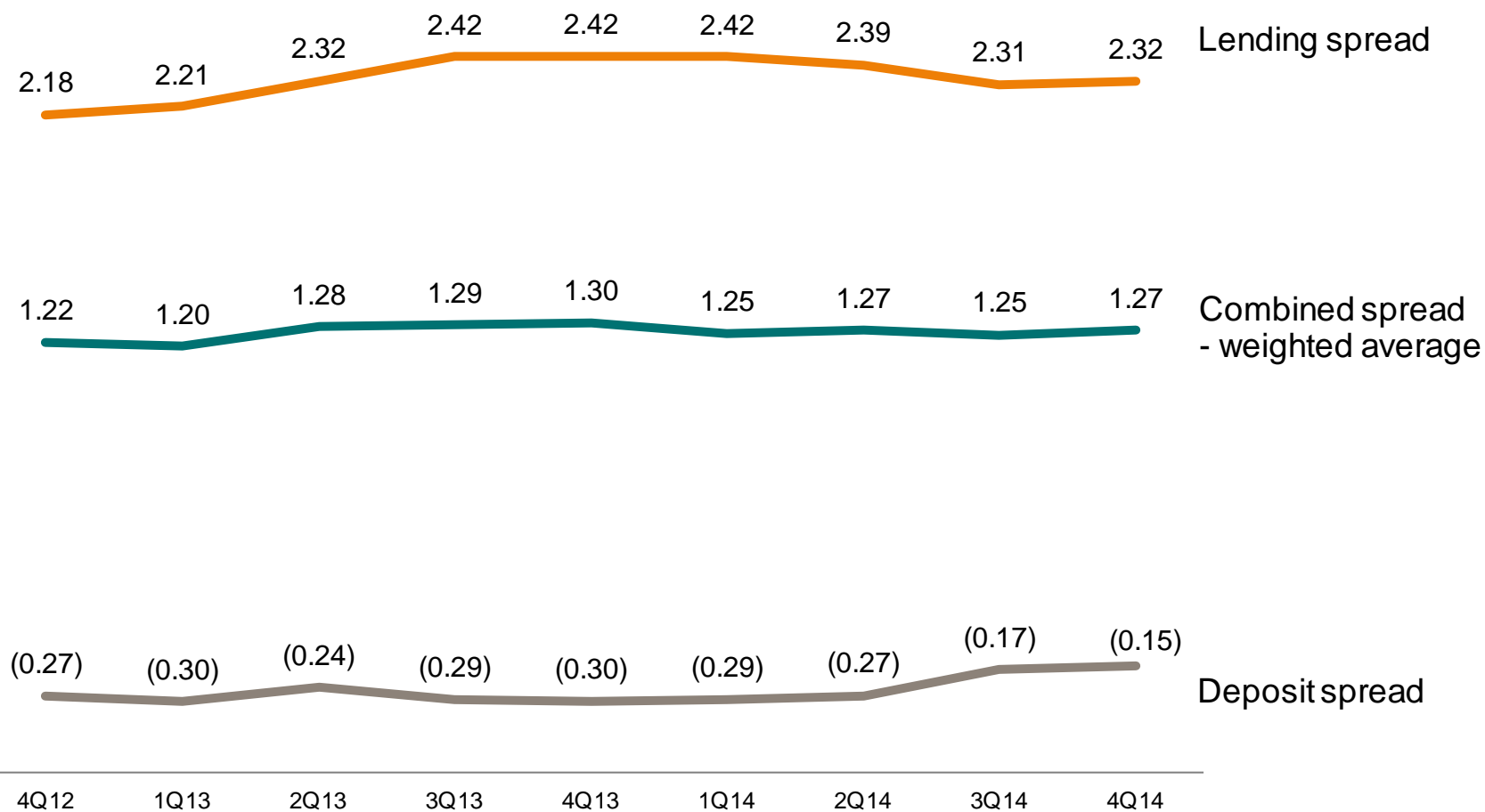
– adjusted for short-term money market investments

NOK billion



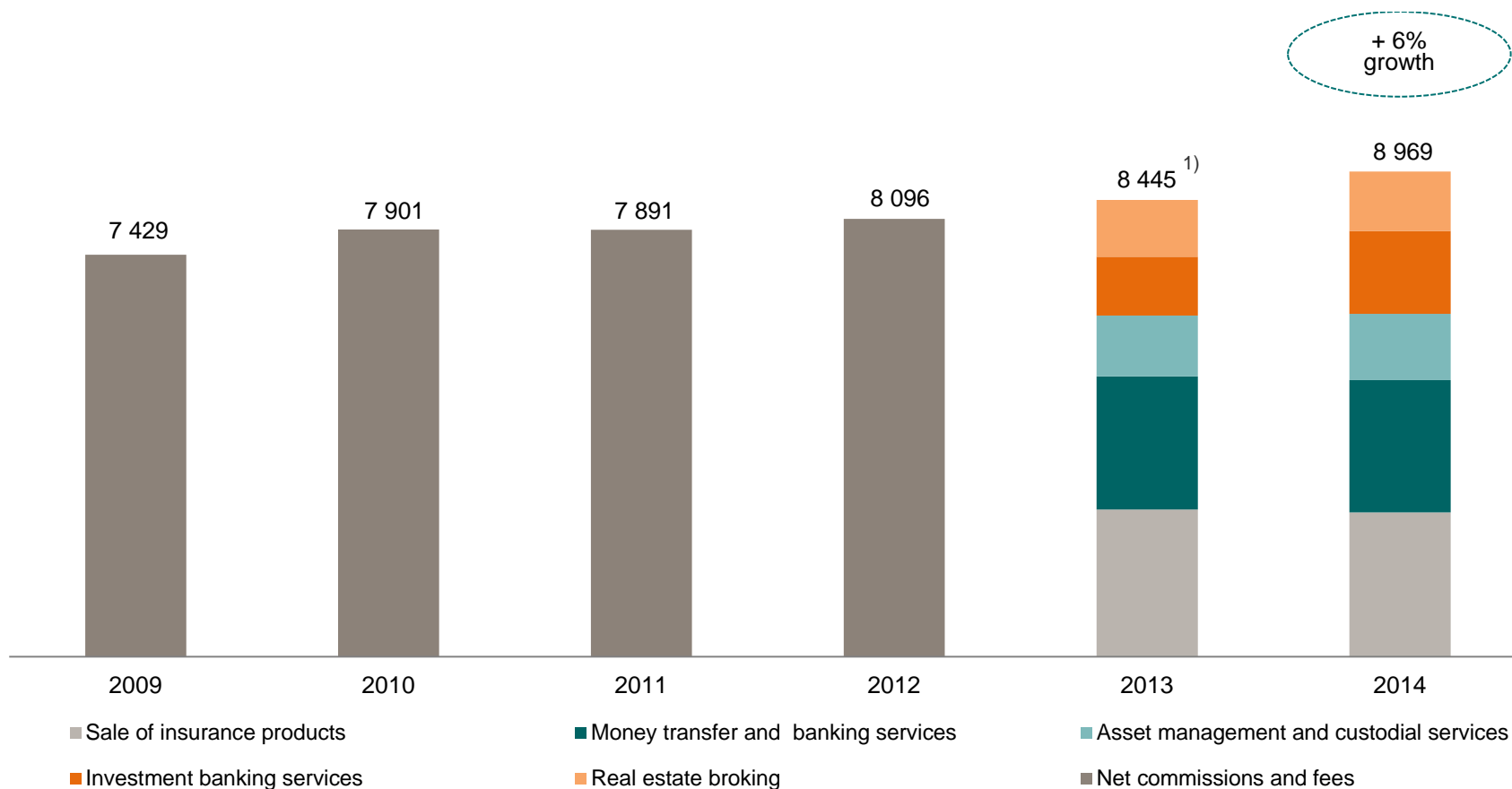
Development in average interest rate spreads

Per cent



Development in commissions and fees last six years

NOK million



1) Figures for 2013 are exclusive of Svensk Fastighetsförmedling AB, which represented NOK 92 million.

Income statement

Amounts in NOK million	4Q14	3Q14	2Q14	1Q14	4Q13	Full year 2014	Full year 2013
Net interest income	8 700	8 228	7 867	7 691	7 940	32 487	30 192
<i>Net commissions and fees</i>	2 313	2 229	2 242	2 185	2 147	8 969	8 537
<i>Net gains on financial instruments at fair value</i>	279	1 817	1 132	2 089	1 342	5 317	5 032
<i>Net financial and risk result, DNB Livsforsikring</i>	185	136	183	105	365	609	1 021
<i>Net insurance result, DNB Skadeforsikring</i>	129	121	139	102	122	491	418
<i>Other operating income</i>	446	256	391	397	343	1 490	1 420
Net other operating income, total	3 352	4 560	4 087	4 877	4 318	16 877	16 427
Total income	12 052	12 788	11 954	12 569	12 258	49 363	46 619
Operating expenses	5 045	5 088	5 150	5 168	5 163	20 452	20 186
Restructuring costs and non-recurring effects	42	74	83	24	(212)	223	682
Expenses relating to debt-financed structured products	0	0	0	0	0	0	450
Impairment losses for goodwill and intangible assets	0	0	0	0	557	0	557
Pre-tax operating profit before impairment	6 964	7 626	6 722	7 377	6 750	28 689	24 744
Net gains on fixed and intangible assets	42	13	(3)	0	153	52	151
Impairment of loans and guarantees	821	183	554	80	36	1 639	2 185
Pre-tax operating profit	6 184	7 456	6 165	7 297	6 868	27 102	22 709
Tax expense	1 236	1 828	1 600	1 799	1 177	6 463	5 202
Profit from operations held for sale, after taxes	16	(8)	(11)	(19)	9	(22)	4
Profit for the period	4 965	5 620	4 553	5 478	5 700	20 617	17 511

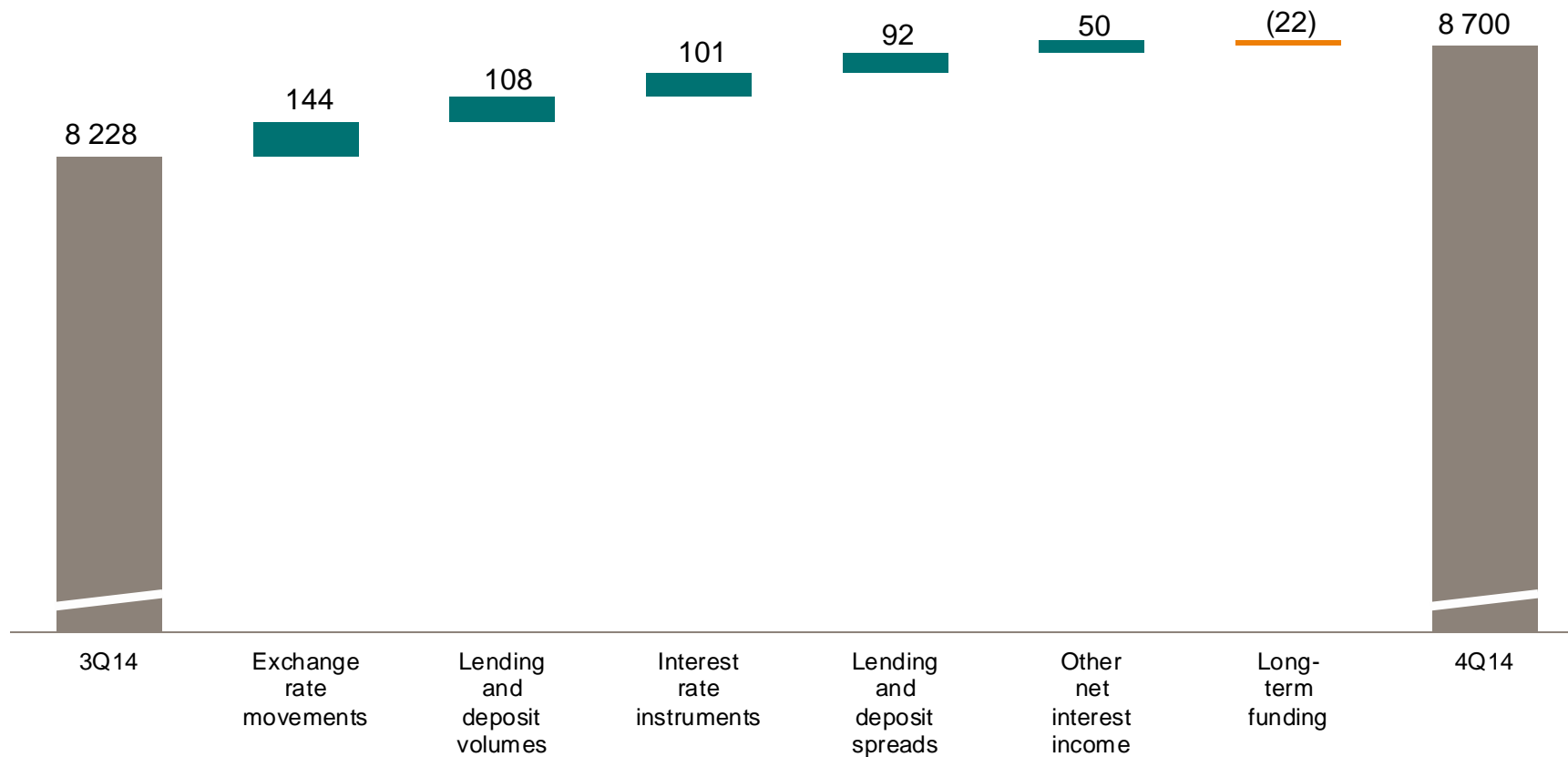
Net gains on financial instruments

Amounts in NOK million	4Q14	3Q14	4Q13	Change	
				4Q14 - 3Q14	4Q14 - 4Q13
Net gains on financial instruments at fair value	279	1 817	1 342		
Basis swaps	508	449	(819)		
Valuation of the investment in Nets	-	-	705		
Net gains on financial instruments at fair value, excl basis swap	(229)	1 368	1 456	(1 597)	(1 685)
<i>Customer revenues in DNB Markets</i>	<i>549</i>	<i>454</i>	<i>459</i>		
<i>Trading in foreign exchange/fixed income/equities in DNB Markets</i>	<i>94</i>	<i>408</i>	<i>446</i>		
<i>Changes in credit spreads on bonds in DNB Markets</i>	<i>(196)</i>	<i>200</i>	<i>120</i>		
<i>Minor adjustments in valuation models</i>	<i>(242)</i>	<i>67</i>	<i>-</i>		
<i>The bank's own equity investments</i>	<i>(146)</i>	<i>(38)</i>	<i>69</i>		
<i>Other mark-to-market adjustments (incl. CVA/DVA)</i>	<i>(287)</i>	<i>277</i>	<i>362</i>		

Changes in net interest income

NOK million

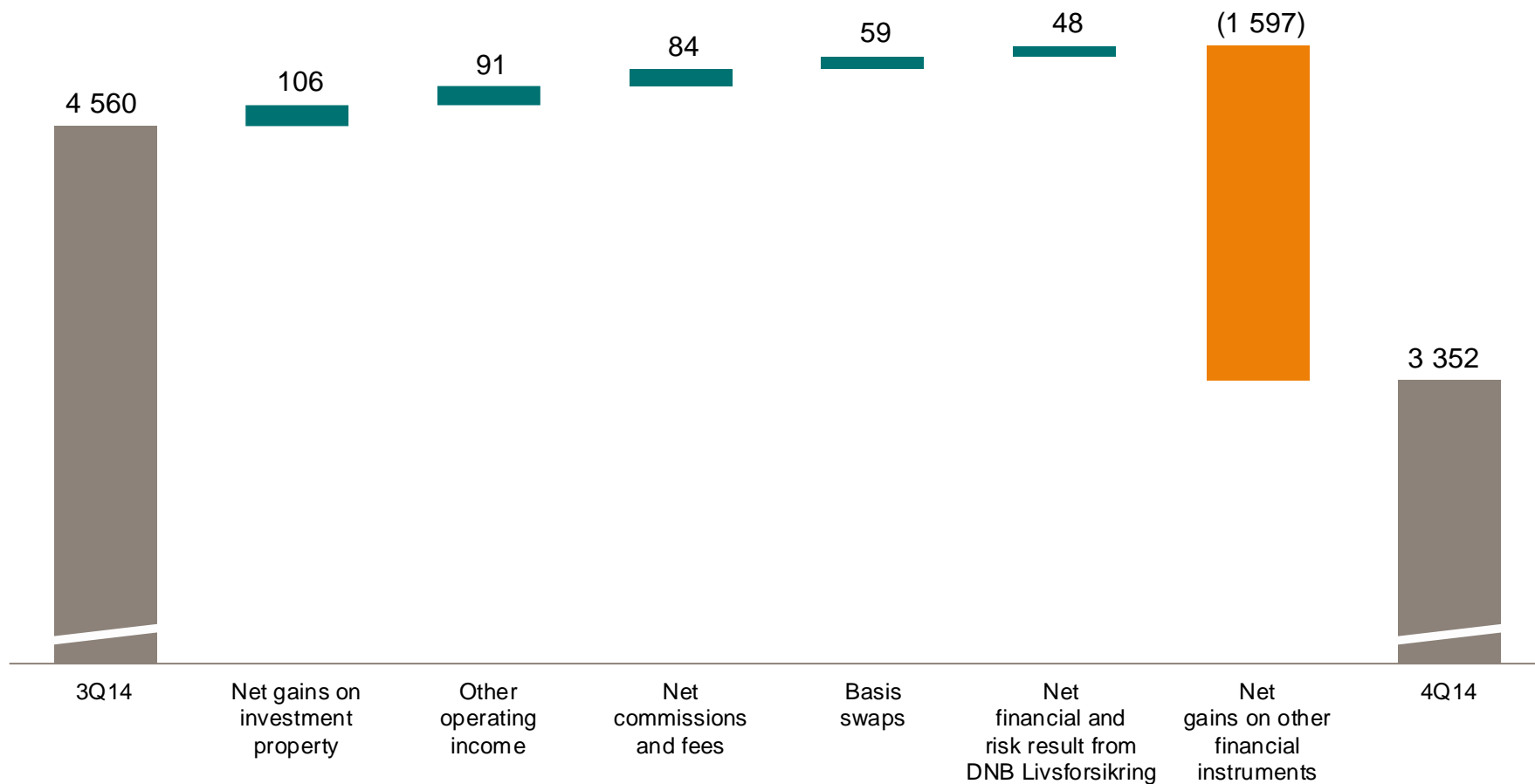
From 3rd quarter 2014 to 4th quarter 2014



Changes in net other operating income

NOK million

From 3rd quarter 2014 to 4th quarter 2014



Changes in operating expenses per quarter

Amounts in NOK million	4Q14	Change	4Q13	Change in per cent
Total adjusted operating expenses	5 045	(117)	5 163	(2.3)
Income-related costs				
Ordinary depreciation on operational leasing		19		
Expenses directly related to operations				
IT expenses		86		
Performance-based pay		(102)		
Properties and premises		(81)		
Marketing		(33)		
Other costs		(6)		
Non-recurring effects	42	(303)	345	
Restructuring costs - employees	86	45	41	
Other restructuring costs and non-recurring effects	(40)	57	(97)	
Impairment losses for goodwill and capitalised systems development	0	(557)	557	
Reversal of provisions	(73)	83	(157)	
IT restructuring	70	70	0	
Operating expenses	5 088	(420)	5 508	(7.6)

Changes in operating expenses per year

Amounts in NOK million	Full year 2014	Change	Full year 2013	Change in per cent
Total adjusted operating expenses	20 452	266	20 186	1.3
Income-related costs				
Ordinary depreciation on operational leasing		92		
Expenses directly related to operations				
IT expenses		200		
External distribution channels		88		
Other costs		(114)		
Non-recurring effects	223	(1 467)	1 690	
Restructuring costs - employees	239	(359)	598	
Other restructuring costs and non-recurring effects	(13)	(253)	240	
Provisions for debt-financed structured products	0	(450)	450	
Impairment losses for goodwill and capitalised systems development	0	(557)	557	
Reversal of provisions	(73)	83	(157)	
IT restructuring	70	70	0	
Operating expenses	20 675	(1 201)	21 875	(5.5)

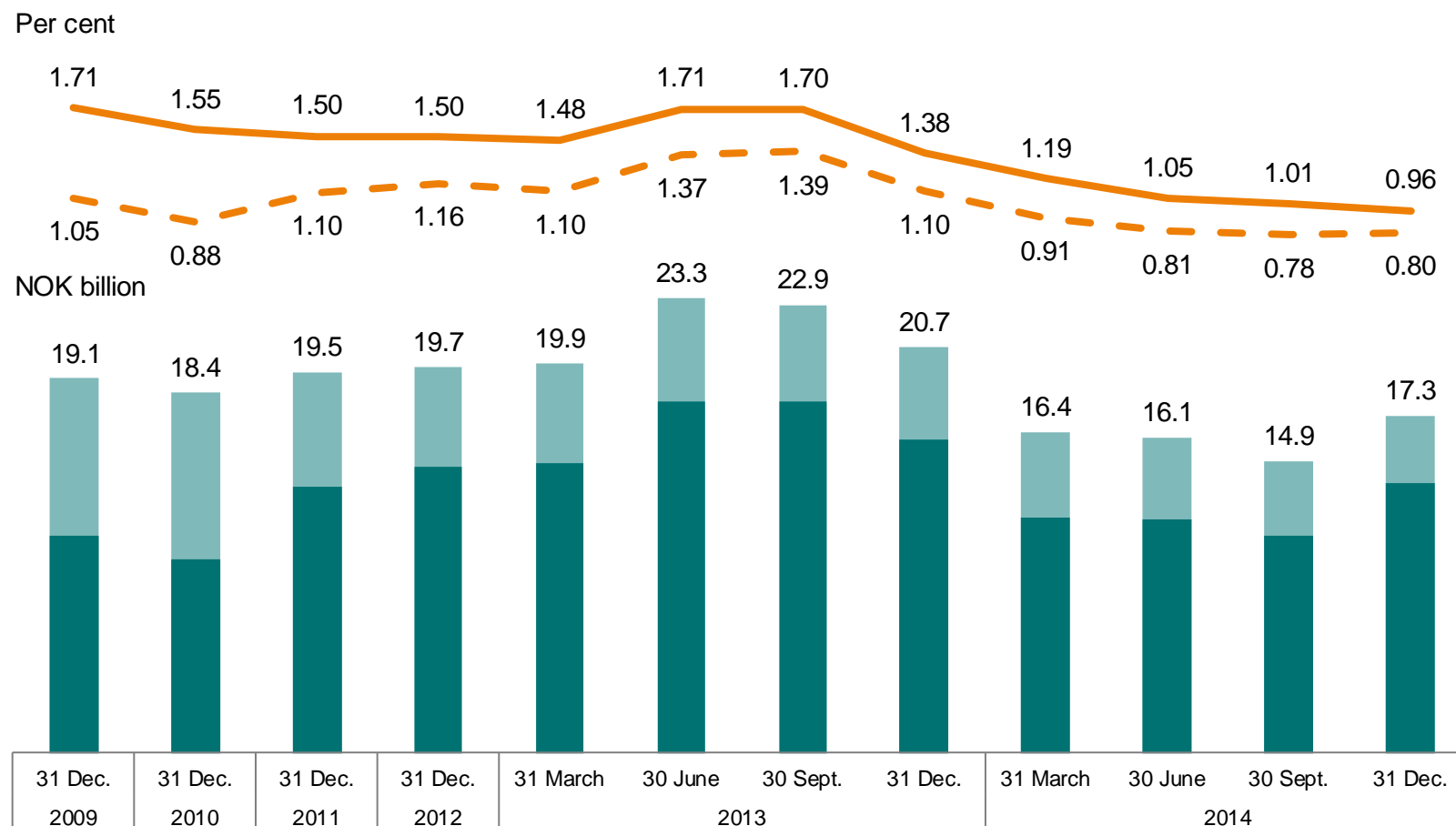
Impairment of loans and guarantees

Amounts in NOK million	4Q14	3Q14	2Q14	1Q14	4Q13	Full year 2014	Full year 2013
<i>Individual impairment:</i>							
Personal customers	(63)	89	56	50	72	132	361
- Mortgage loans	(141)	33	(5)	(16)	36	(129)	77
- Consumer finance	78	56	61	66	37	261	284
Small and medium-sized enterprises	458	167	162	73	207	861	564
Large corporates and international customers	484	11	284	209	(43)	987	1 391
- Nordic Corporates Division	333	(3)	97	(56)	67	370	136
- International Corporates Division	166	86	(17)	56	86	291	228
- Shipping, Offshore and Logistics Division	(21)	(116)	152	152	(271)	166	500
- Energy Division	5	5	(2)	24	(17)	31	52
- Baltics, Russia and Poland	1	39	53	31	93	124	471
- Other units	1	1	1	3	(3)	5	4
Total individual impairment	879	267	502	332	236	1 980	2 318
<i>Collective impairment:</i>							
DNB excl. Baltics, Russia and Poland	(49)	(79)	71	(227)	(171)	(284)	(13)
Baltics, Russia and Poland	(9)	(5)	(19)	(25)	(29)	(58)	(119)
Total collective impairment of loans	(58)	(84)	52	(252)	(200)	(341)	(133)
Impairment of loans and guarantees	821	183	554	80	36	1 639	2 185

Impairment in per cent of loans

Per cent	4Q14	3Q14	2Q14	1Q14	4Q13	Full year 2014	Full year 2013
Total impairment in relation to average volumes (annual basis)	0.23	0.05	0.16	0.02	0.01	0.12	0.17
- DNB excl. Baltics and Poland	0.24	0.04	0.16	0.02	(0.01)	0.12	0.14
- Baltics and Poland	(0.05)	0.24	0.25	0.03	0.44	0.11	0.65

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



1) Includes non-performing commitments and commitments subject to individual impairment. Accumulated individual impairment is deducted.

■ Baltics and Poland
■ DNB Group excl. Baltics and Poland
— As a percentage of net loans
- - - As a percentage of net loans excl. Baltics and Poland

Balance sheets

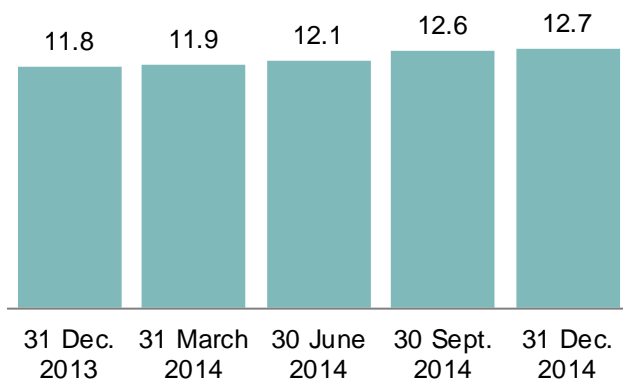
	DNB Group		DNB Bank ASA	
	31 Dec. 2014	31 Dec. 2013	31 Dec. 2014	31 Dec. 2013
Amounts in NOK billion				
Deposits with central banks	59	167	54	163
Due from credit institutions	373	181	608	399
Loans to customers	1 439	1 341	723	680
Other assets	779	717	613	583
Total assets	2 649	2 406	1 998	1 826
Due to credit institutions	214	234	269	281
Deposits from customers	942	868	903	849
Short-term debt securities issued	207	184	207	184
Long-term debt securities issued	605	528	160	169
Other liabilities and provisions	523	450	332	228
Equity	159	142	128	115
Total liabilities and equity	2 649	2 406	1 998	1 826
Ratio of deposits to net loans (%)	65.4	64.7	124.8	124.9
Adjusted ratio of deposits to net loans (%) ¹⁾	63.5	63.7	121.0	122.9
Total combined assets	2 936	2 656	1 998	1 826
Currency-adjusted loans to customers	1 391		686	
Currency-adjusted deposits from customers	900		865	

1) Excluding short-term money market deposits

Common equity Tier 1 capital ratio ¹⁾

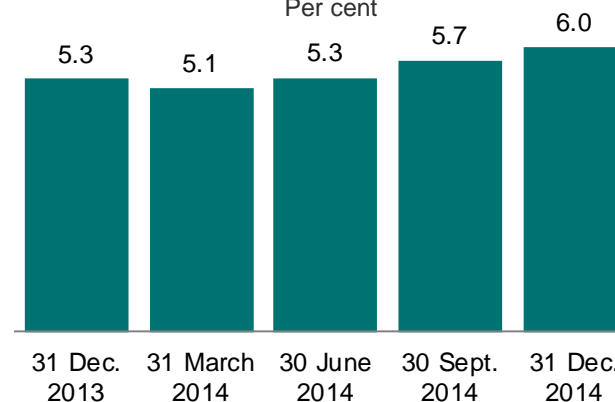
Transitional rules

Per cent



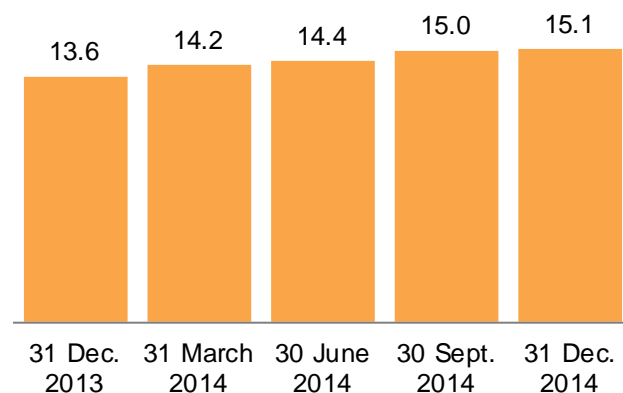
Leverage ratio

Per cent



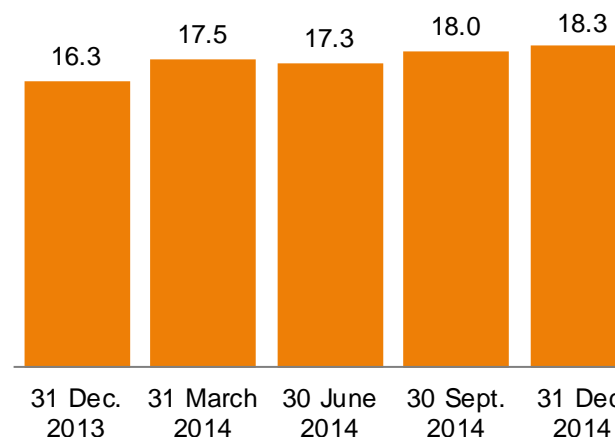
Future Basel III estimate

Per cent



Estimate applying average weights used by Swedish banks ²⁾

Per cent



1) Common equity Tier 1 capital includes 50 per cent of interim profits in all quarters, apart from the Leverage Ratio figures.

Annual figures are exclusive of dividend payments

2) Average weights used by Swedish banks on corporate loans and loans secured by real estate

Change in common equity Tier 1 capital ratio

Per cent

From 31 December 2013 to 31 December 2014



Financial ambitions – 2016 and 2017

Return on equity

> 12 per cent



Min. 14% CET1 ratio ¹⁾

as capital plateau

> 50% dividend

when capital plateau is reached

The financial ambitions stay firm

- Lending volumes expected to grow at an annual rate of around 3-4 per cent, subject to stable exchange rates
- Stable development in volume-weighted spreads
- Commissions and fees – underlying growth of 5 per cent
- Flat nominal costs throughout 2015 (excluding restructuring costs)
- Impairment expected to stay below normalised levels ¹⁾ in 2015



DNB