

A man and a woman are walking on a rooftop or balcony at night. The woman is wearing a white beanie, a light blue scarf, and a blue coat. The man is wearing glasses, a blue scarf, and a dark coat. They are both smiling. In the background, there are several tall buildings with lit windows, suggesting a city skyline. The image has a teal overlay on the left side.

Investor presentation

RESULTS DNB GROUP
FOURTH QUARTER 2014

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)

DNB

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)

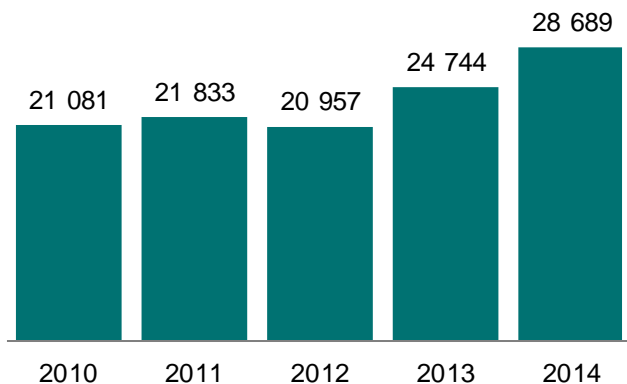
12.7 (11.8)

Proposed dividend in NOK

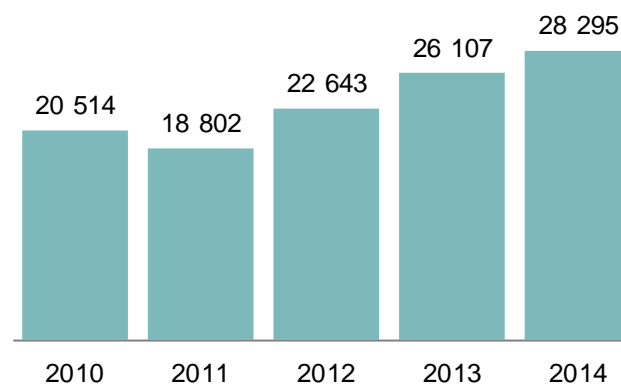
3.80 (2.70)

Profit figures last five years

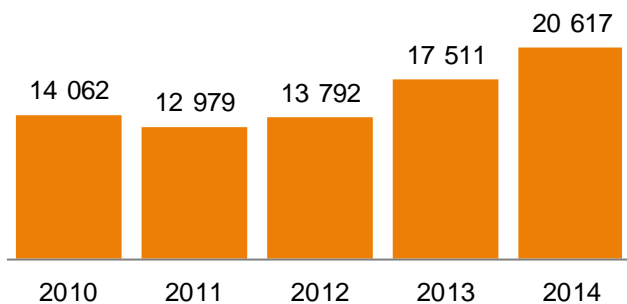
Pre-tax operating profit before impairment
NOK million



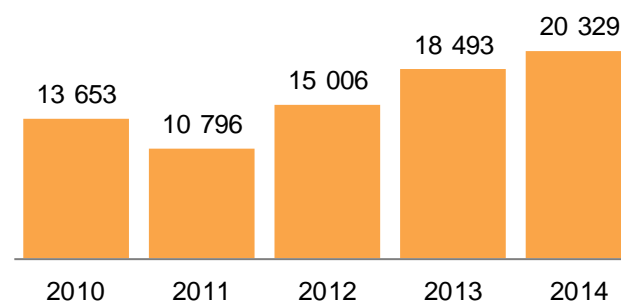
**Pre-tax operating profit before impairment
excl. basis swaps**
NOK million



Profit for the period
NOK million



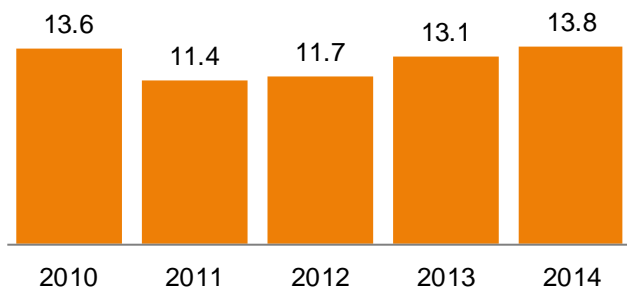
**Profit for the period
excl. basis swaps**
NOK million



Return on equity and cost/income ratio last five years

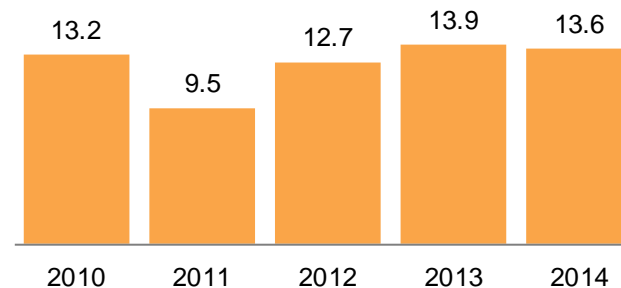
Return on equity

Per cent



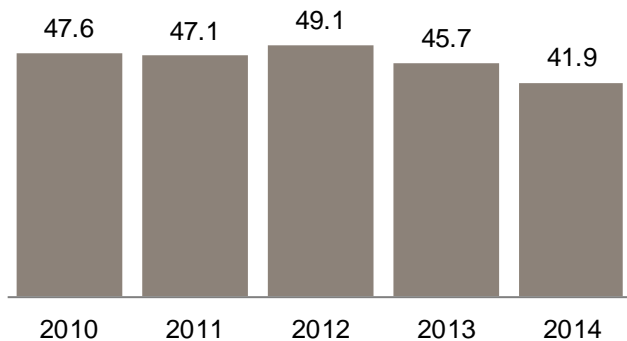
Return on equity excl. basis swaps

Per cent



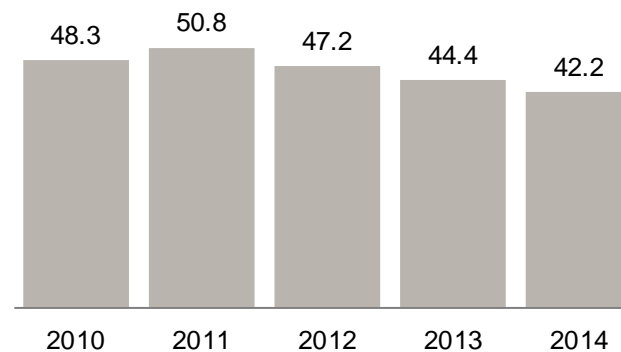
Cost/income ratio

Per cent



Cost/income ratio excl. basis swaps

Per cent

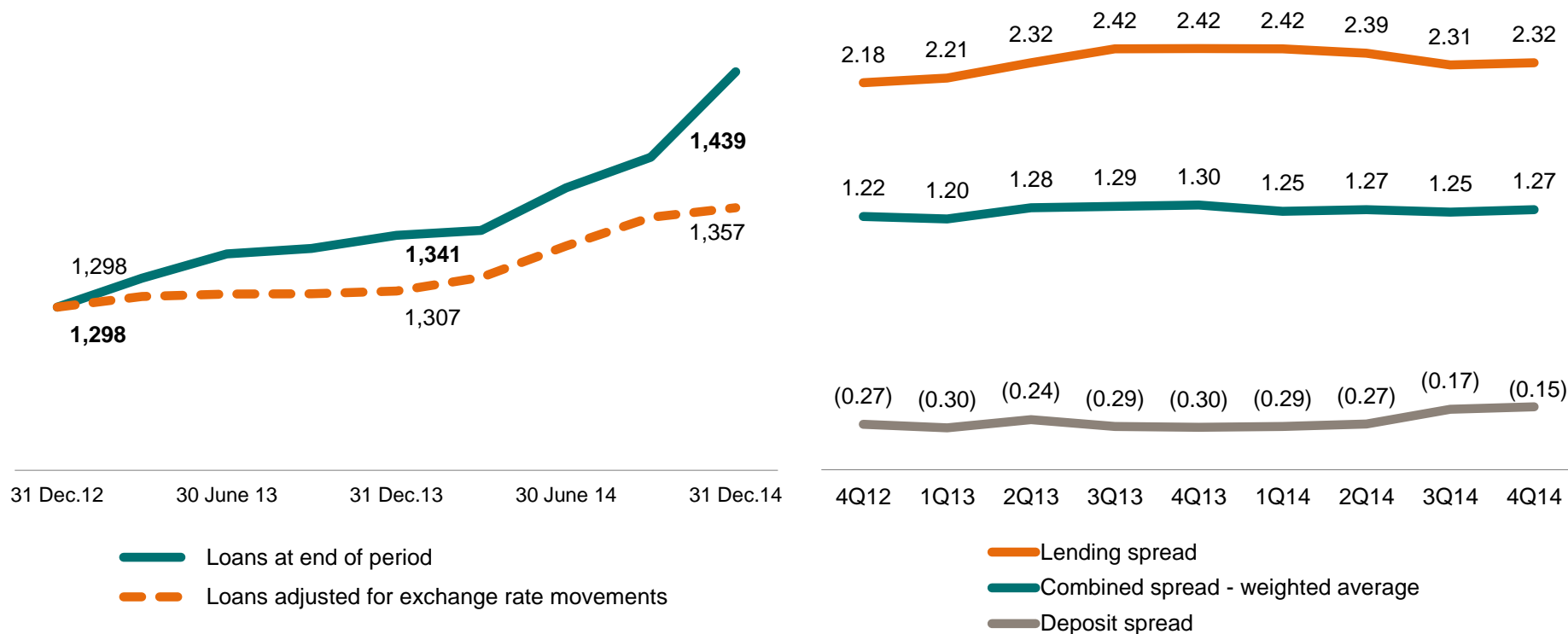


Income statement

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

Lending volumes grew FX-adjusted by 3.4%, while volume-weighted spreads were stable

NOK billion



Net gains on financial instruments – strong customer driven revenues

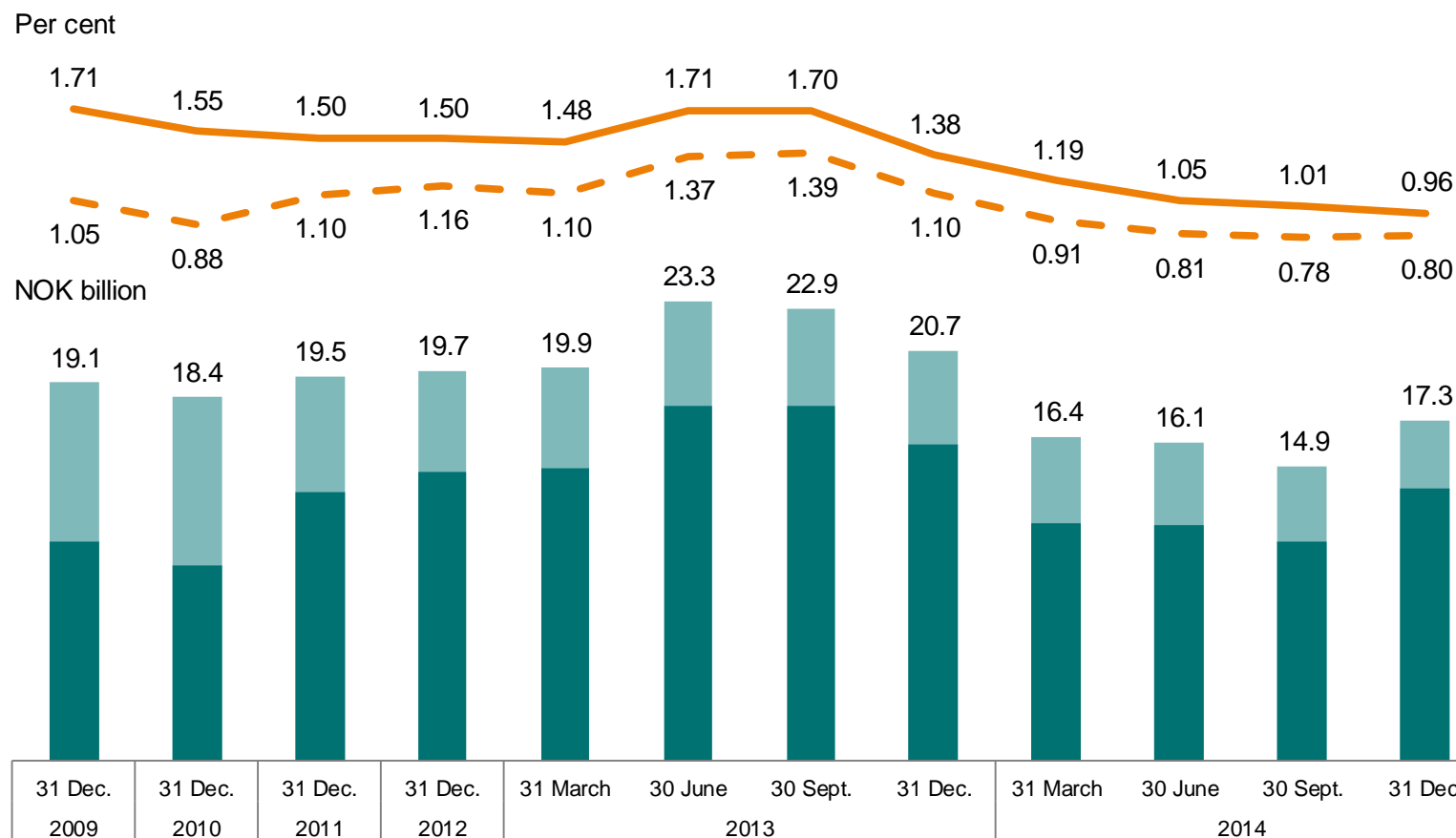
Amounts in NOK million	4Q14	3Q14	4Q13	Change	
				4Q14 - 3Q14	4Q14 - 4Q13
Net gains on financial instruments at fair value	279	1 817	1 342		
Basis swaps	508	449	(819)		
Valuation of the investment in Nets	-	-	705		
Net gains on financial instruments at fair value, excl basis swap:	(229)	1 368	1 456	(1 597)	(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>		

Delivering on operating expenses – cost-income-ratio 42.2%

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)

Improved portfolio quality

- 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

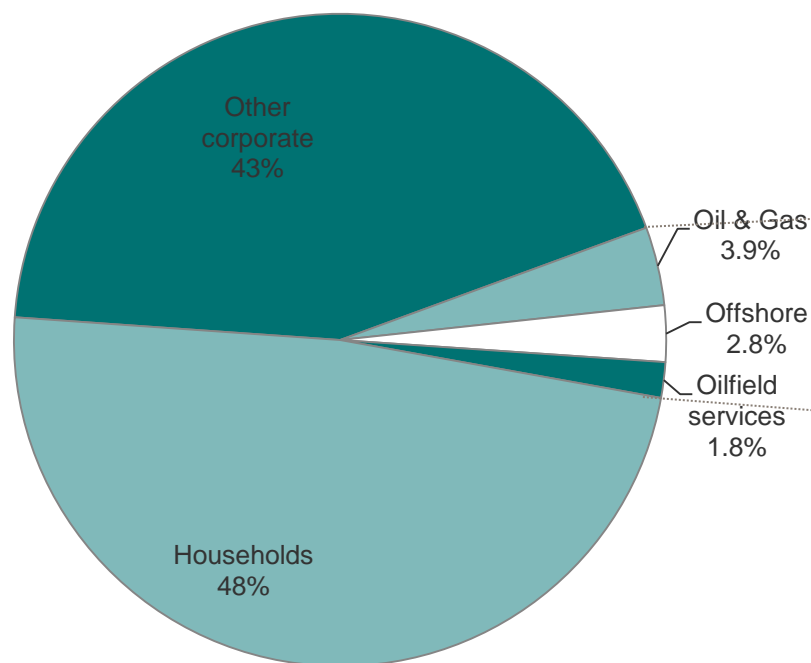
Impairment of loans and guarantees – well below NOK 2 bn for 2014

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
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

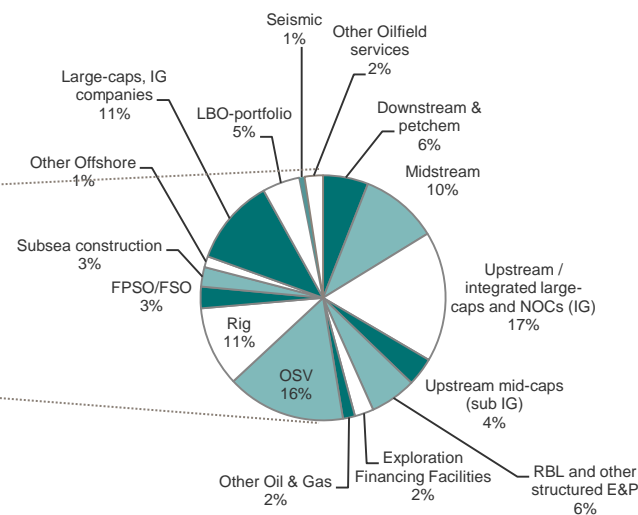
DNB has a well-diversified oil-related portfolio

~8% of total Group EaD to oil related portfolios

Total DNB Group
EaD of NOK 1 909bn as at 31 December 2014
In per cent of total



Total oil-related portfolios
EaD of NOK ~161bn as at 31 December 2014
In per cent of NOK 161bn

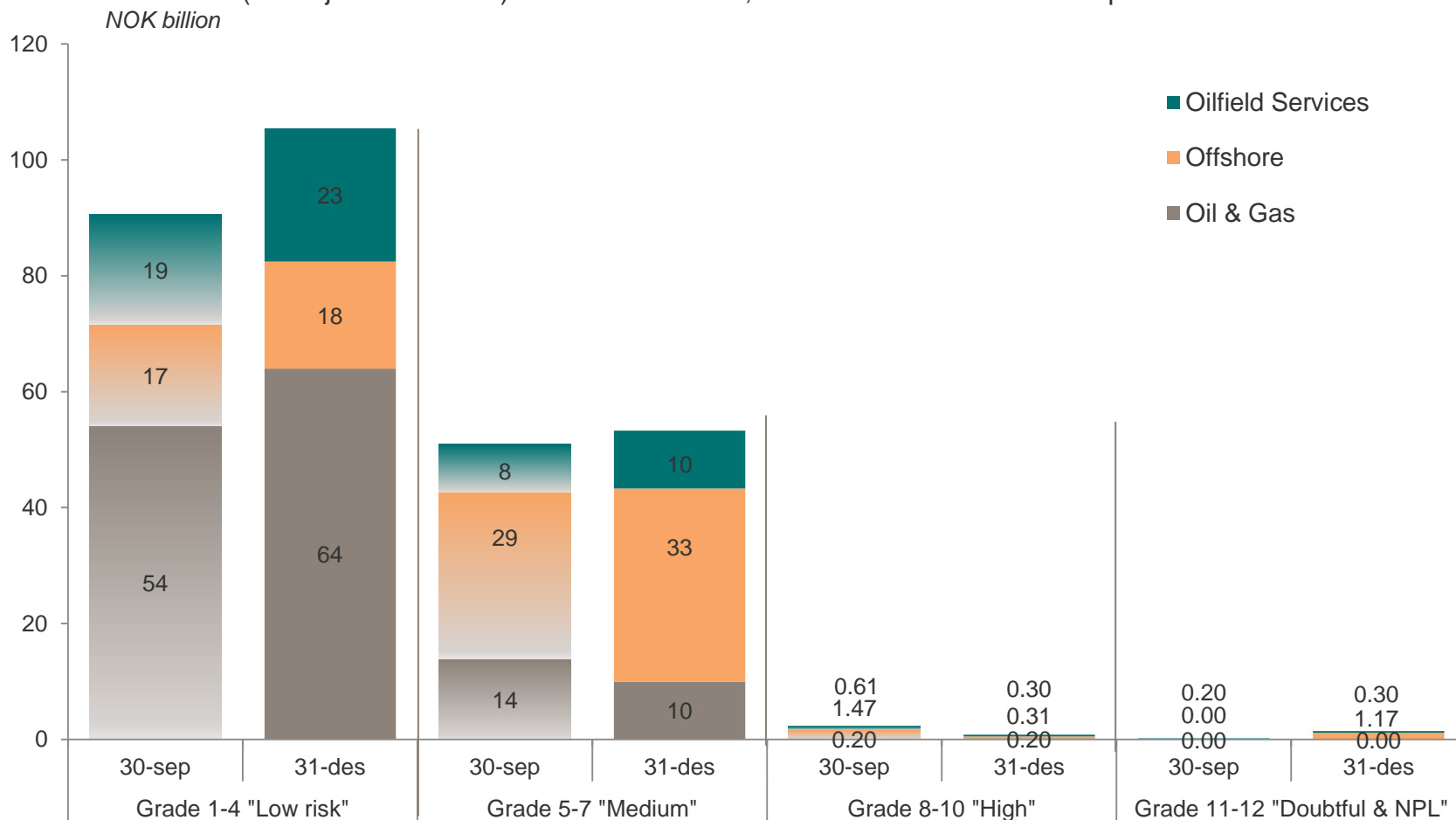


No negative migration in oil-related portfolio

- Stable FX adjusted volumes, but increased with weaker NOK

DNB's oil-related portfolio split by sub-segment in exposure (EaD)

Total NOK 161bn (FX adj. NOK 144bn) as of 31 Dec 2014, and NOK 144bn as of 30 Sep 2014



Main oil price assumptions for 2015 - \$65/bbl. (avg. price)

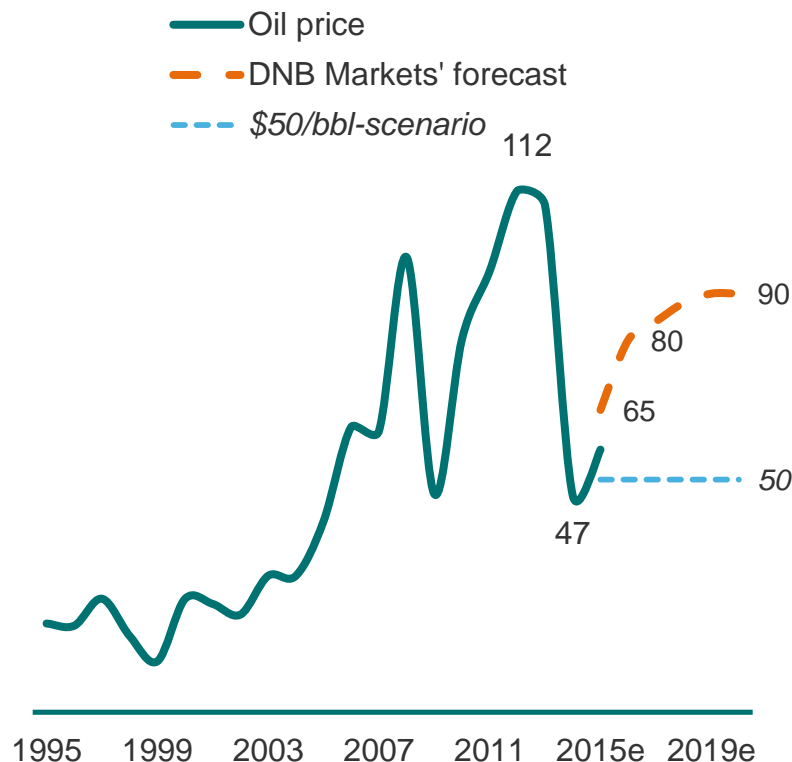
- but below included a downside \$50/bbl.-scenario by DNB Markets

Oil price development

USD per barrel

Main assumptions and

a downside \$50/bbl.-scenario by DNB Markets

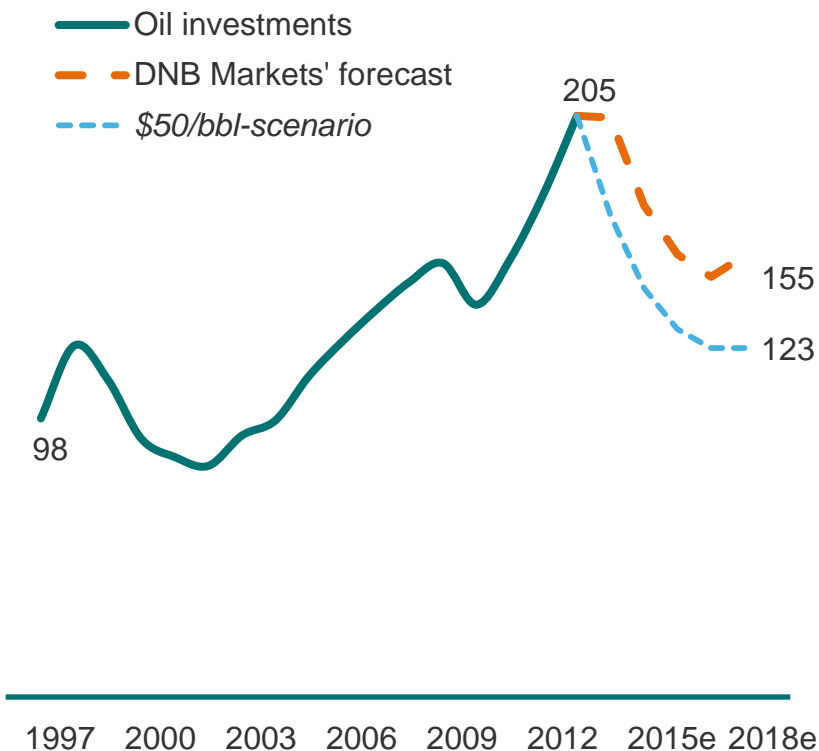


Oil investments

2013 prices, NOK billion

Main assumptions and

a downside \$50/bbl.-scenario by DNB Markets



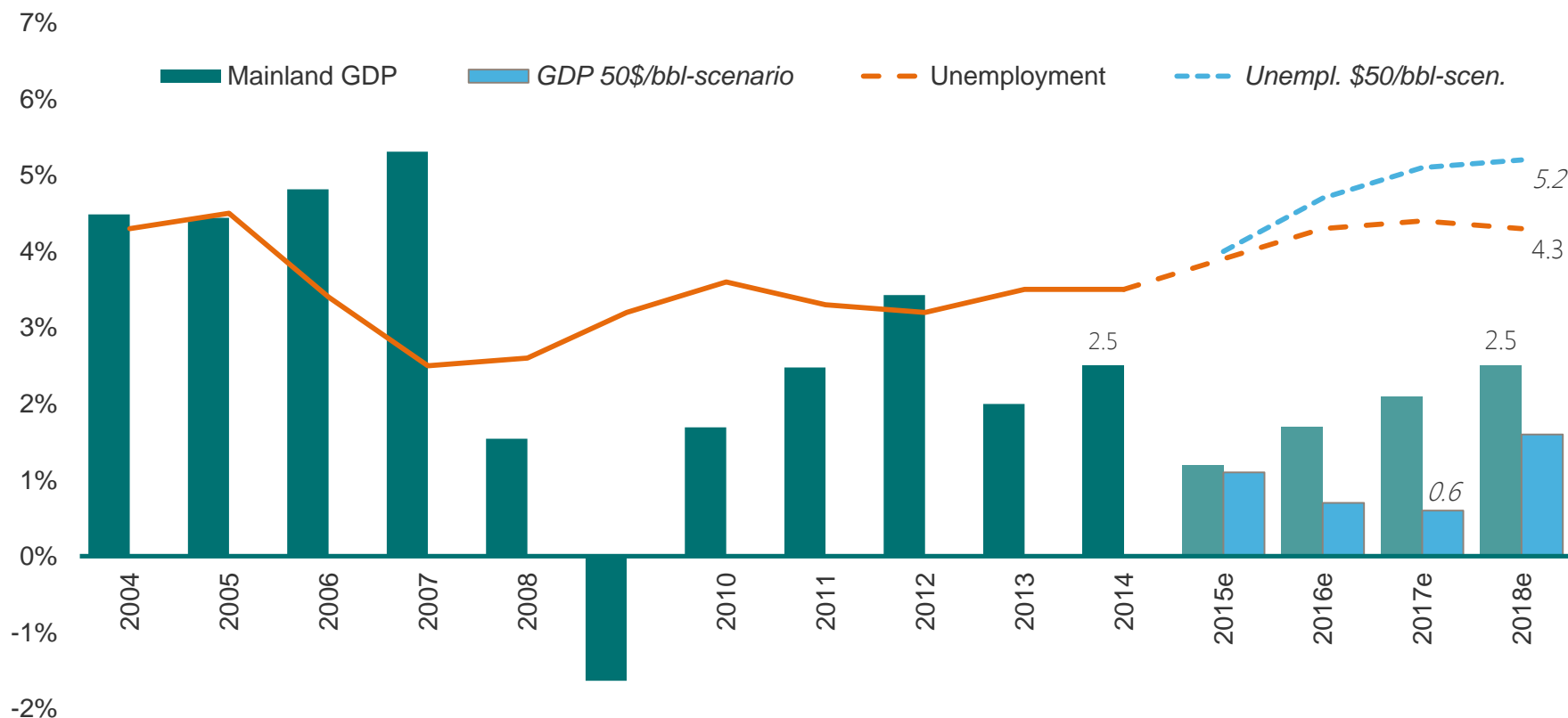
Slower economic growth in Norway is expected

– exports, private and public consumption will ensure a soft landing

GDP growth and unemployment

Year-on-year, per cent

Main assumptions and a downside \$50/bbl.-scenario by DNB Markets

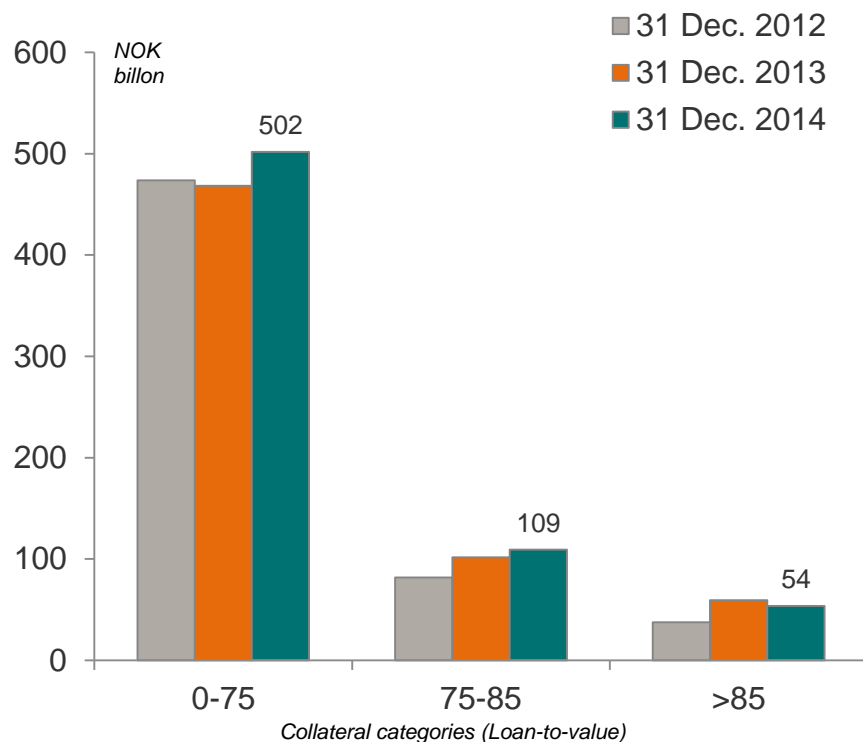


Sources: Statistics Norway, forecast and scenario by DNB Markets as of 29 Jan 2015, Norges Bank, Eiendom Norge, Finn.no og Eiendomsverdi

Affordability has increased in-line with house price inflation

Development in loan-to-value (LTV)

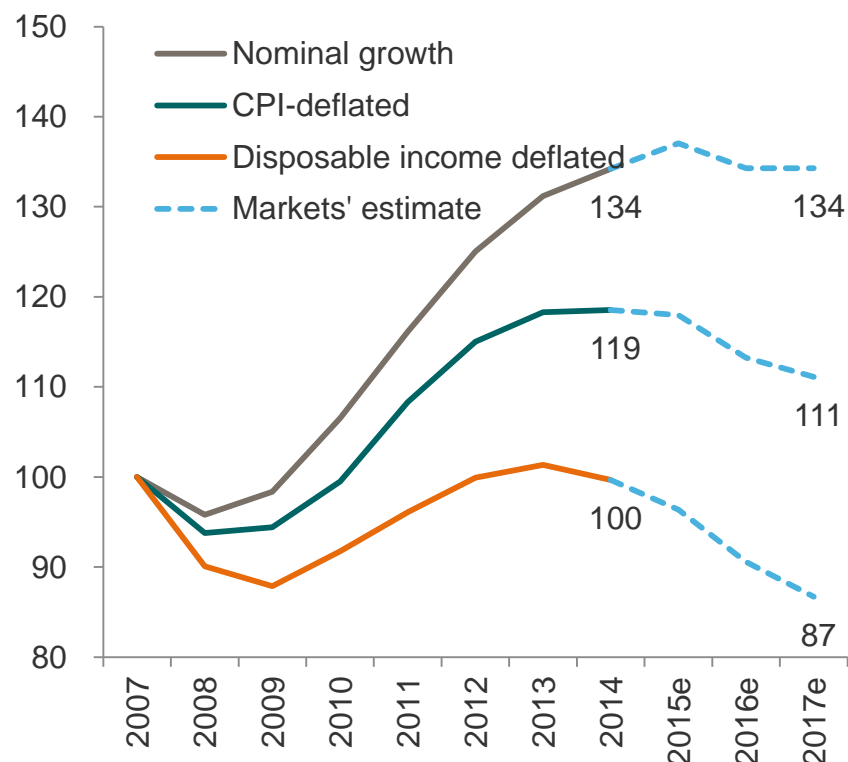
DNB's mortgage portfolio by LTV brackets in EaD



Adjusted house price index

All dwellings in Norway

Year over year change, Index:100=year 2007



The financial ambitions stay firm: ROE >12 per cent

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 levels¹⁾ in 2015



DNB

Q&A