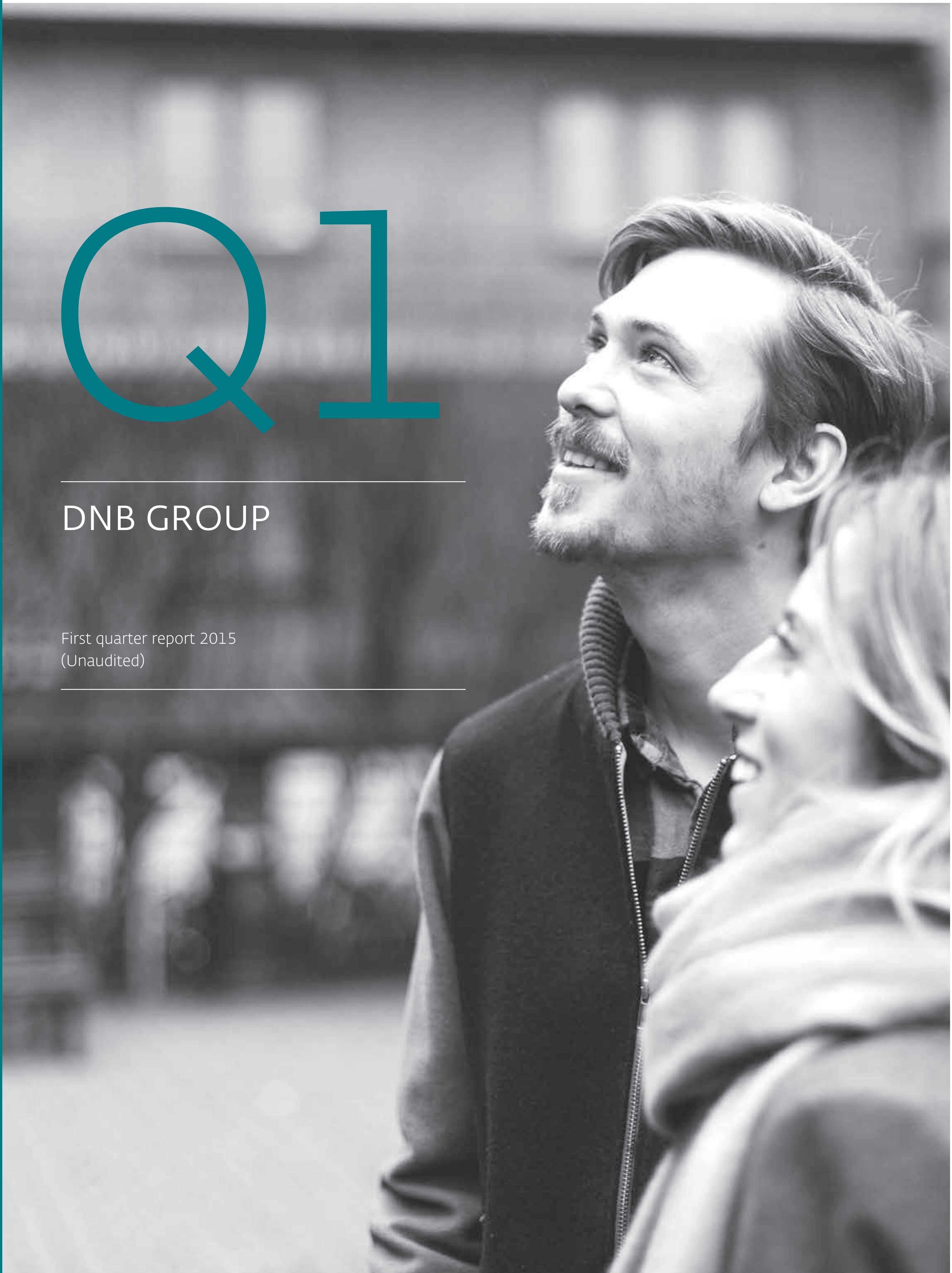

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DNB GROUP

First quarter report 2015
(Unaudited)

Financial highlights

Income statement

Amounts in NOK million	1st quarter 2015	1st quarter 2014	Full year 2014
			DNB Group
Net interest income	8 587	7 691	32 487
Net commissions and fees	*2 212*	*2 185*	*8 969*
Net gains on financial instruments at fair value	*3 400*	*2 089*	*5 317*
Net financial and risk result, DNB Livsforsikring	52	*105*	*609*
Net insurance result, DNB Skadeforsikring	99	*102*	*491*
Other operating income	*361*	*397*	*1 490*
Net other operating income, total	6 124	4 877	16 877
Total income	14 711	12 569	49 363
Operating expenses	5 215	5 168	20 452
Restructuring costs and non-recurring effects	223	24	223
Pre-tax operating profit before impairment	9 273	7 377	28 689
Net gains on fixed and intangible assets	12	(0)	52
Impairment of loans and guarantees	575	80	1 639
Pre-tax operating profit	8 710	7 297	27 102
Tax expense	2 130	1 799	6 463
Profit from operations held for sale, after taxes	(47)	(19)	(22)
Profit for the period	**6 533**	**5 478**	**20 617**

Balance sheet

Amounts in NOK million	31 March 2015	31 Dec. 2014	31 March 2014
Total assets	2 789 880	2 649 341	2 483 098
Loans to customers	1 476 186	1 438 839	1 343 832
Deposits from customers	963 102	941 534	900 180
Total equity	174 429	158 723	146 617
Average total assets	3 016 785	2 711 624	2 676 431
Total combined assets	3 089 372	2 936 331	2 740 567

Key figures

	1st quarter 2015	1st quarter 2014	Full year 2014
Return on equity, annualised (per cent)	16.1	15.4	13.8
Earnings per share (NOK)	4.01	3.37	12.67
Combined weighted total average spread for lending and deposits (per cent)	1.28	1.25	1.26
Cost/income ratio (per cent)	37.0	41.3	41.9
Impairment relative to average net loans to customers, annualised (per cent)	0.16	0.02	0.12
Common equity Tier 1 capital ratio, transitional rules, at end of period (per cent)	12.7	11.9	12.7
Tier 1 capital ratio, transitional rules, at end of period (per cent)	13.5	12.3	13.0
Capital ratio, transitional rules, at end of period (per cent)	15.5	14.2	15.2
Share price at end of period (NOK)	129.70	104.10	110.70
Price/book value	1.27	1.16	1.14
Proposed dividend per share (NOK)			3.80

Due to changes in principles, some comparative figures have been restated. See further details in Accounting principles in the annual report for 2014.

For additional key figures and definitions, please refer to pages 32-33.

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 Committee.

First quarter report 2015

Accounts for the DNB Group

Accounts for DNB ASA

Additional information DNB Group

Directors' report

First quarter financial performance

DNB recorded profits of NOK 6 533 million in the first quarter of 2015, up NOK 1 054 million from the first quarter of 2014. Higher lending volumes and wider deposit spreads helped raise net interest income, while other operating income declined in reflection of a high level of non-recurring income in the first quarter of 2014. Adjusted for basis swaps, there was a NOK 702 million reduction in profits.

There was an average increase in the healthy loan portfolio of 8.6 per cent parallel to a 7.0 per cent increase in average deposit volumes from the first quarter of 2014. The strong volume growth was partly due to exchange rate movements. Lending spreads narrowed by 0.10 percentage points, while deposit spreads widened by 0.18 percentage points.

Adjusted for the effect of basis swaps, net other operating income was down NOK 1 160 million compared with the first quarter of 2014. The reduction mainly reflected the positive accounting effects of the NOK 913 million rise in value of DNB's shareholding in Nets in the first quarter of 2014. Net commissions and fees were NOK 27 million higher than in the first quarter of 2014, mainly due to a higher level of activity in DNB Eiendom.

Total operating expenses increased by NOK 246 million from the first quarter of 2014. Ordinary operating expenses, excluding restructuring costs and other non-recurring effects, rose by NOK 47 million during the corresponding period. The key factors behind the increase were exchange rate movements and higher pension expenses.

Impairment losses on loans and guarantees totalled NOK 575 million for the quarter, up NOK 494 million from the very low level in the first quarter of 2014. There was an increase in collective impairment in the large corporate segment. In addition, impairment losses were recorded on loans to the mining industry. Individual impairment declined by 30 per cent compared with the fourth quarter of 2014. The total level of impairment in the Group was well within the normalised level in the first quarter of 2015.

The common equity Tier 1 capital ratio, calculated according to the transitional rules, increased from 11.9 per cent at end-March 2014 to 12.7 per cent.

Important events in the first quarter

During the first three months of the year, DNB's mobile bank was used more than 34 million times, overtaking DNB's Internet bank as Norway's largest banking service platform.

In order to meet the market competition, DNB implemented new interest rate reductions on 2 January. The adjustments entered into force for existing loans and deposits in early March.

In February, DNB launched the project "A valuable lesson" in cooperation with the Norwegian Red Cross. "A valuable lesson" is the name of a free digital educational programme which gives children a basic understanding of money, income and spending, what their rights are and good saving habits. The main purpose of the project is to ensure that personal finance becomes part of the curriculum in Norwegian schools to increase financial literacy among children and young people. The educational programme will be ready at the start of the school year in August, and a large number of primary schools in Norway have already said that they are interested to participate.

As the first commercial bank in the Nordic region, DNB issued a green bond of NOK 1 billion in February 2015 to promote increased financing of renewable energy projects. The bond has the same characteristics as an ordinary senior unsecured DNB bond, while the proceeds from the bond are earmarked for renewable energy financing.

During the first quarter, DNB Bank issued two additional Tier 1 capital instruments with a nominal value of NOK 2 150 million and USD 750 million, respectively. The instruments are perpetual, though the bank has a redemption option on specific dates.

In late February, DNB implemented the most extensive cleanup of its product portfolio ever, aiming to streamline prices and terms and conditions and ensure greater transparency. More than 140 account products were phased out. Around 20 mutual funds were merged with other funds, while 11 card and payment services were terminated.

After 33 years in the DNB Group, chief risk officer Trygve Young retired in February 2015. Terje Turnes took over his position as a member of the group management team.

In late January, DNB was included in the index of the global 100 most sustainable corporations in the world. The ranking was announced in February.

In March, the rating company Moody's changed DNB Bank ASA's rating from A1 negative outlook to A1 review for upgrade. The review is expected to be concluded during the first half of 2015.

In March, Finanstilsynet (the Financial Supervisory Authority of Norway) instructed DNB to increase the active management of the DNB Norge mutual fund. Measures have been initiated to fulfil this requirement.

Income statement, main items

Net interest income

Amounts in NOK million	1st quarter 2015	Change	1st quarter 2014
Net interest income	8 587	895	7 691
Exchange rate movements		366	
Lending and deposit volumes		264	
Long-term funding costs		116	
Lending and deposit spreads		112	
Interest rate instruments		90	
Other net interest income		(54)	

Net interest income rose by NOK 895 million or 11.6 per cent from the first quarter of 2014, reflecting higher lending volumes, partly due to exchange rate movements, a positive impact from interest rate instruments and lower long-term funding costs. Average lending spreads contracted by 0.10 percentage points, while deposit spreads widened by 0.18 percentage points. Volume-weighted spreads increased by 0.03 percentage points. There was an average increase of NOK 114.3 billion or 8.6 per cent in the healthy loan portfolio compared with the first quarter of 2014. During the same period, deposits were up NOK 70.1 billion or 7.0 per cent.

Net other operating income

Amounts in NOK million	1st quarter 2015	Change	1st quarter 2014
Net other operating income	6 124	1 247	4 877
Basis swaps		2 406	
Other operating income		39	
Net commissions and fees		27	
Net financial and risk result from DNB Livsforsikring [1)]		(54)	
Profits from associated companies		(77)	
Net gains on other financial instruments		(182)	
Investment in Nets		(913)	

1) Guaranteed returns and allocations to policyholders deducted.

Net other operating income increased by NOK 1 247 million or 25.6 per cent from the first quarter of 2014. Adjusted for basis swaps and non-recurring effects relating to the investment in Nets in the first quarter of 2014, net other operating income was down NOK 248 million. There was a small increase in total commissions and fees, and income from real estate broking and credit broking had a positive effect on profits. Net gains on other financial instruments had the opposite effect, reducing profits by NOK 182 million. This was due to changes in the models for fair value measurement in the first quarter of 2014, representing NOK 291 million. Income from underlying customer trading increased by NOK 163 million.

Operating expenses

Amounts in NOK million	1st quarter 2015	Change	1st quarter 2014
Operating expenses excluding non-recurring effects	5 215	47	5 168
Of which:			
Exchange rate effects for units outside Norway		83	
Currency-adjusted operating expenses		(36)	
Income-related costs			
Ordinary depreciation on operational leasing		17	
Expenses related to operations			
Other costs		37	
Fees		33	
Pension expenses		21	
Properties/premises		(61)	
Non-recurring effects	223	199	24
IT restructuring		108	
Other restructuring costs and non-recurring effects		87	
Restructuring costs – employees		5	
Operating expenses	5 438	246	5 192

Operating expenses were up NOK 246 million from the first quarter of 2014. Non-recurring costs increased during the quarter, which was mainly a consequence of the extensive IT restructuring currently undertaken by DNB. Adjusted for non-recurring effects, there was an increase in expenses of NOK 47 million, which partly reflected an increase in fees and higher pension expenses due to a lower discount rate. Exchange rate effects linked to international operations contributed to a rise in other operating expenses compared with the first quarter of 2014.

Impairment of loans and guarantees

Impairment losses on loans and guarantees totalled NOK 575 million, up from NOK 80 million in the first quarter of 2014 and down from NOK 821 million in the fourth quarter of 2014. Compared with the first quarter of 2014, the most pronounced increase stemmed from the small and medium-sized enterprises segment. There was a rise in collective impairment in the large corporate segment, while there were reversals in the personal customer segment. Impairment losses in the energy portfolio were halved from the first quarter of 2014 to the corresponding period in 2015.

The decline in impairment from the fourth quarter of 2014 was mainly due to a reduction in individual impairment in the large corporates and international customers segment and the small and medium-sized enterprises segment. In the first quarter of 2015, collective impairment losses totalled NOK 44 million, up NOK 102 million from the fourth quarter of 2014, reflecting a sharp drop in oil prices and higher volumes in the healthy loan portfolio. Impairment losses in the first quarter of 2015 were slightly below the normalised long-term level.

Non-performing and doubtful loans and guarantees were reduced by NOK 2.6 billion from end-March 2014, totalling NOK 13.9 billion at end-March 2015. This represented 0.83 per cent of the loan portfolio, down from 1.19 per cent at end-March 2014.

Taxes

The DNB Group's tax expense for the first quarter of 2015 was NOK 2 130 million, or 24.5 per cent of pre-tax operating profits.

Financial performance, segments

Financial governance in DNB is adapted to the different customer segments. The customer segments have been redefined in 2015. As of 1 January 2015, DNB Finans' operations in Sweden and Denmark are included in the large corporates and international customers segment. Previously, these operations were divided between the small and medium-sized enterprises segment and the personal customer segment. Figures for previous periods have been adjusted correspondingly.

Personal customers

	1st quarter		Change	
Income statement in NOK million	2015	2014	NOK mill	%
Net interest income	3 336	3 219	117	3.6
Net other operating income	1 169	1 101	69	6.3
Total income	4 505	4 319	186	4.3
Operating expenses	2 158	2 109	49	2.3
Pre-tax operating profit before impairment	2 347	2 210	137	6.2
Net gains on fixed and intangible assets	0	(1)	1	
Impairment of loans and guarantees	(45)	74	(119)	
Pre-tax operating profit	2 393	2 135	257	12.1
Tax expense	646	576	70	12.1
Profit for the period	1 747	1 559	188	12.1
Average balance sheet items in NOK billion				
Net loans to customers	679.9	647.8	32.1	5.0
Deposits from customers	368.7	347.7	21.1	6.1
Key figures in per cent				
Lending spread [1)]	2.30	2.47		
Deposit spread [1)]	(0.30)	(0.59)		
Return on allocated capital [2)]	20.4	21.3		
Cost/income ratio	47.9	48.8		
Ratio of deposits to loans	54.2	53.7		

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 strong competition for home mortgage customers. Average net loans increased by 5.0 per cent from the first quarter of 2014, while there was a 0.8 per cent rise from the fourth quarter of 2014. Average deposits were up 6.1 per cent from the first quarter of 2014.

Net interest income rose by 3.6 per cent from the first quarter of 2014. Wider deposit spreads compensated for a contraction in lending spreads from the first quarter of 2014. The volume-weighted interest rate spread narrowed by 0.01 percentage points from the first quarter of 2014 and was unchanged from the fourth quarter of the year.

The main factor behind the increase in other operating income from the first quarter of 2014 was higher income from pension products and real estate broking. A high level of activity in DNB Eiendom and an increase in customer-paid marketing contributed to a moderate rise in costs during the period.

A large share of loans to personal customers represents well-secured home mortgages entailing low risk. In the first quarter of 2015, reversals on previous impairment losses exceeded new impairment losses. A total of NOK 45 million was recorded as income during the quarter, corresponding to net reversals of 0.03 per cent of average loans. In the first quarter of 2014, net impairment came to 0.05 per cent.

The market share of credit to households stood at 25.9 per cent at end-February 2015, while the market share of total household savings was 32.6 per cent. DNB Eiendom was the market leader in the first quarter and achieved a market share of 20.0 per cent at end-March.

The digitalisation of banking services is accelerating, and the share of online user traffic is increasing. As a result of a higher self-service ratio, five branch offices were closed in the first quarter of 2015. Manual cash-handling services are no longer available at any of DNB's branch offices, with the exception of the branch office at Oslo Airport. DNB Eiendom has adapted to changes in customer behaviour and was the first real estate broker to introduce a trial project offering a chat service for housing sales and purchases.

DNB aspires to achieve continued profitable growth in the personal customer segment. Impairment losses on loans are expected to remain stable at a low level.

Small and medium-sized enterprises

	1st quarter		Change	
Income statement in NOK million	2015	2014	NOK mill	%
Net interest income	1 455	1 320	135	10.2
Net other operating income	461	376	85	22.7
Total income	1 917	1 696	221	13.0
Operating expenses	758	751	7	0.9
Pre-tax operating profit before impairment	1 159	945	214	22.6
Net gains on fixed and intangible assets	(1)	(0)	(1)	
Impairment of loans and guarantees	290	86	204	238.7
Profit from repossessed operations	0	(15)	15	
Pre-tax operating profit	869	845	24	2.8
Tax expense	234	228	6	2.8
Profit for the period	634	617	17	2.8
Average balance sheet items in NOK billion				
Net loans to customers	211.7	203.3	8.3	4.1
Deposits from customers	166.9	152.1	14.8	9.7
Key figures in per cent				
Lending spread [1)]	2.63	2.69		
Deposit spread [1)]	0.16	(0.16)		
Return on allocated capital [2)]	11.9	12.4		
Cost/income ratio	39.5	44.3		
Ratio of deposits to loans	78.9	74.8		

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.

There was a sound increase in loans to small and medium-sized enterprises in the first quarter of 2015. Average net loans to customers rose by 4.1 per cent from the first quarter of 2014. During the same period, deposits were up 9.7 per cent.

Rising volumes and wider deposit spreads ensured a healthy increase in net interest income compared with the first quarter of 2014. Net other operating income also showed strong growth. This was primarily due to a rise in income from fixed-income and foreign exchange products, reflecting a greater need among customers to hedge their positions. Furthermore, there was a strong rise in sales of other products. There was a slight increase in costs from the first quarter of 2014.

Net impairment losses on loans totalled NOK 290 million and related to loans to the mining industry. No material changes have been observed in the general credit quality in the segment. On an annual basis, impairment represented 0.56 per cent of net loans, up from 0.17 per cent in the year-earlier period. The quality of the loan portfolio is considered to be satisfactory. The close follow-up of customers and preventive measures are vital to retaining satisfactory quality.

Moderate credit growth is anticipated in the market, and DNB expects lending growth in this segment on a level with the banking market in general.

Large corporates and international customers

	1st quarter		Change	
Income statement in NOK million	2015	2014	NOK mill	%
Net interest income	3 611	3 196	415	13.0
Net other operating income	1 533	1 424	110	7.7
Total income	5 145	4 620	525	11.4
Operating expenses	1 917	1 846	71	3.8
Pre-tax operating profit before impairment	3 228	2 774	454	16.4
Net gains on fixed and intangible assets	6	0	5	
Impairment of loans and guarantees	312	(93)	405	
Profit from repossessed operations	(57)	2	(59)	
Pre-tax operating profit	2 865	2 870	(5)	(0.2)
Tax expense	831	890	(59)	(6.6)
Profit for the period	2 034	1 980	54	2.7
Average balance sheet items in NOK billion				
Net loans to customers	552.1	487.7	64.4	13.2
Deposits from customers	380.0	379.8	0.2	0.0
Key figures in per cent				
Lending spread [1)]	2.25	2.26		
Deposit spread [1)]	(0.10)	(0.16)		
Return on allocated capital [2)]	11.4	14.0		
Cost/income ratio	37.3	40.0		
Ratio of deposits to loans	68.8	77.9		

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 weakened Norwegian krone strongly affected the growth in lending from the first quarter of 2014. Net loans to customers were up 13 per cent during this period. Adjusted for exchange rate movements, however, there was an underlying decrease in the portfolio of approximately 1 per cent, reflecting strategic portfolio adjustments to reduce the bank's exposure within industries such as shipping and real estate parallel to an increase in certain other sectors. Compared with the fourth quarter of 2014, lending volumes were up 6 per cent, which was also primarily due to exchange rate movements. Deposit volume was unchanged from the first quarter of 2014 and declined by 10 per cent after adjusting for exchange rate movements.

Due to a strong increase in loan volumes and wider deposit spreads, net interest income increased from the first quarter of 2014. Lending spreads contracted by 0.01 percentage points from the first quarter of 2014, while deposit spreads widened by 0.06 percentage points.

There was an increase in net other operating income from the first quarter of 2014, reflecting a rise in income from fixed-income instruments and equities.

Operating expenses were on a level with the fourth quarter of 2014, but rose by 3.8 per cent from the first quarter of 2014. The increase is directly related to the rise in income. The number of full-time positions declined by 268 from end-March 2014. The reduction took place in international operations and related mainly to the sale of JSC DNB Bank.

Net impairment losses on loans increased by NOK 405 million from the first quarter of 2014, which was characterised by reversals on collective impairment losses. On an annual basis, net impairment represented 0.23 per cent of average loans. Individual impairment came to 0.19 per cent of average loans, compared with 0.18 per cent in the first quarter of 2014.

Targeted efforts are being made to retain the level of quality in the portfolio through close follow-up of customers and preventive measures. Developments in industries that are sensitive to oil price changes are closely monitored. DNB's lending practices are based on a scenario with relatively low oil prices, and DNB has a robust portfolio within both oil, gas and offshore. Impairment losses in the energy portfolio were halved from the first quarter of 2014 to the corresponding period in 2015. Net non-performing and doubtful loans and guarantees amounted to NOK 8.8 billion at end-March 2015, a reduction of NOK 1.8 billion from a year earlier.

DNB gives priority to strong, long-term and profitable customer relationships and on further developing key customer segments. The Group's wide range of products and broad expertise are key elements in efforts to strengthen customer relationships and form the basis for operations. Volume-weighted spreads are expected to be stable or to increase slightly in the period ahead.

Trading

	1st quarter		Change	
Income statement in NOK million	2015	2014	NOK mill	%
Net interest income	104	108	(4)	(4.0)
Net other operating income	468	590	(123)	(20.8)
Total income	572	699	(127)	(18.2)
Operating expenses	98	107	(9)	(8.8)
Pre-tax operating profit	474	591	(118)	(19.9)
Tax expense	123	160	(36)	(22.8)
Profit for the period	351	432	(81)	(18.8)
Key figures in per cent				
Return on allocated capital 1)	19.1	23.7		

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

Income from proprietary trading was at a satisfactory level in the first quarter of 2015, driven by income from the bond, money and currency markets. Profit performance was considered to be particularly strong in the first quarter of 2014.

Traditional pension products

	1st quarter		Change	
Income statement in NOK million	2015	2014	NOK mill	%
Upfront pricing of risk and guaranteed rate of return	133	160	(27)	(16.7)
Owner's share of administration result	35	49	(14)	(29.1)
Owner's share of risk result	(24)	23	(47)	0.0
Owner's share of interest result	(172)	(169)	(3)	0.0
Return on corporate portfolio	224	205	19	9.2
Pre-tax operating profit	197	268	(72)	(26.7)
Tax expense	(33)	2	(35)	
Profit for the period	230	267	(37)	(13.8)
Key figures in per cent				
Cost/income ratio	42.5	36.2		
Return on allocated capital 1)	5.4	6.9		

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

The decline in profits from the first quarter of 2014 to the first quarter of 2015 was mainly due to a lower recorded return, reflecting the build-up of buffer capital through an increase in the market value adjustment reserve and a higher shareholder contribution to reflect higher life expectancy. The prolonged low interest rate level and increased reserves to reflect higher life expectancy will make it challenging for life insurance companies to achieve a satisfactory level of earnings over the coming years. DNB Livsforsikring has adapted to the low interest rate level by holding a large portfolio of long-term bonds and property. Thus, it is highly likely that returns will cover the guaranteed rate of return over the next few years. In addition, DNB Livsforsikring is adapting its operations by winding up the company's public sector operations as well as the sale of defined-benefit pensions and paid-up policies with guaranteed rates of return. At end-March 2015, the public sector portfolio totalled NOK 3 billion. The portfolio is expected to be wound up in the course of 2015.

Each quarter, DNB Livsforsikring carries out a test to assess whether the company has adequate premium reserves. The test showed positive margins at end-March 2015.

In consequence of the upward adjustment of life expectancy assumptions, it will be necessary to strengthen the premium reserve for group pensions over the next few years. At end-March 2015, the total required increase in reserves for DNB Livsforsikring's portfolio was estimated at NOK 11.7 billion for the period up to 2020, of which NOK 6.7 billion had been set aside. The shareholder contribution will be affected by the average return achieved during the build-up period. Provided that the expected return is achieved, DNB will have to cover approximately 23 per cent of the total required increase in reserves. A shareholder contribution of NOK 189 million was charged to the accounts for the January through March period of 2015.

Regulations for the implementation of Solvency II in Norwegian law have been circulated for public comment. The Ministry of Finance is expected to lay down regulations in the second quarter of 2015. The transitional rules will ensure a controlled introduction of Solvency II and will ensure that no equity injection will be required in DNB Livsforsikring.

Funding, liquidity and balance sheet

The short-term funding markets were generally sound for banks with high credit ratings in the first quarter of 2015. In spite of somewhat stronger competition for funding, DNB had ample access to short-term funding in both USD and other currencies throughout the first quarter.

In the long-term funding markets, there was also a healthy supply of capital in the first quarter. In the euro market, the volume of senior and covered bonds issued during the first quarter of 2015 increased by 6 per cent from the year-earlier period. As a result of the European Central Bank's, ECB, covered bond purchase programme (CBPP3), margins on such bonds declined slightly during the quarter. DNB's margins on senior bonds were reduced due to strong demand among investors and limited supply in the market. The latter is partly attributable to one of the CBPP3 measures, the so-called TLTRO programme (targeted long-term refinancing operations), under which banks can obtain three-year funding at a very low cost. However, margins on senior bonds have risen somewhat lately due to market unrest in Greece and the Middle East and signals from the central bank of the United States (the Federal Reserve) of possible interest rate increases.

Debt securities issued by the Group totalled NOK 853 billion at end-March 2015 and NOK 745 billion a year earlier. The average remaining term to maturity for the bond debt portfolio was 4.1 years at end-March 2015, compared with 4.5 years a year earlier.

In February and March 2015, DNB Bank issued two additional Tier 1 capital instruments with a nominal value of NOK 2 150 million and USD 750 million, respectively. The instruments are perpetual, though the bank has a redemption option on specific dates. The instruments are included in the Group's Tier 1 capital and will, seen in isolation, give an increase in the Tier 1 capital ratio of approximately 0.8 percentage points.

The Group stayed well within the liquidity limits throughout 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 2015, the total LCR was 122 per cent. The LCRs for euros and US dollars were 164 per cent and 219 per cent, respectively.

At end-March 2015, total combined assets in the DNB Group were NOK 3 089 billion, an increase from NOK 2 741 billion at end-March 2014. Total assets in the Group's balance sheet were NOK 2 790 billion as at 31 March 2015 and NOK 2 483 billion a year earlier. Of this, total assets in DNB Livsforsikring came to NOK 280 billion and NOK 284 billion, respectively.

Net loans to customers increased by NOK 132 billion or 9.8 per cent from end-March 2014. Customer deposits were up NOK 63 billion or 7.0 per cent during the corresponding period. The ratio of customer deposits to net loans to customers declined from 67.0 per cent at end-March 2014 to 65.2 per cent a year later. This is in line with the Group's ambition is to have ratio of customer deposits to net loans of minimum 60 per cent.

Risk and capital adequacy

Growth in the Norwegian economy is expected to decline from 2.25 per cent in 2014 to 1.2 per cent in 2015. Employment growth is expected to decrease in response to the more sluggish production increase.

The DNB Group quantifies risk by measuring risk-adjusted capital requirements. The capital requirement declined by NOK 2.8 billion from end-December 2014, to NOK 81.8 billion at end-March 2015.

Developments in the risk-adjusted capital requirement

Amounts in NOK billion	31 March 2015	31 Dec. 2014	30 Sept. 2014	31 June 2014
Credit risk	58.6	58.8	55.1	55.6
Market risk	7.9	7.6	7.9	10.7
Market risk in life insurance	13.3	16.0	12.1	11.0
Insurance risk	2.0	2.0	2.0	1.9
Operational risk	11.0	10.7	10.7	10.7
Business risk	6.9	6.8	6.8	6.8
Gross risk-adjusted capital requirement	99.7	101.9	94.6	96.6
Diversification effect [1)]	(17.9)	(17.4)	(16.5)	(17.1)
Net risk-adjusted capital requirement	81.8	84.6	78.1	79.5
Diversification effect in per cent of gross risk-adjusted capital requirement [1)]	18.0	17.0	17.5	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 was virtually unchanged from end-December 2014. Credit quality remains sound and stable. Industries, segments and geographic regions that are particularly dependent on the price of oil are monitored closely. The falling oil prices are not expected to have any material impact on DNB's credit portfolio in the short term. However, a prolonged period of low oil prices could present challenges for an increasing number of customers and segments. In line with expectations, the weak trend in the dry bulk market in the shipping segment continued in the first quarter, with record-low rates, resulting in a certain rise in impairment losses on loans in this segment. The quality of DNB's Norwegian commercial property portfolio is sound and stable. During the first quarter, the trend of greater price differences between the best and second best locations was reinforced.

The Norwegian housing market showed a strong development during the first quarter. There was a record-high number of housing sales, and in March, housing prices were up 7.9 per cent on a national basis compared with March 2014. However, there were sizeable regional differences. Tromsø and Stavanger were at the opposite ends of the scale among Norwegian cities, with a twelve-month price growth of 17 and 2 per cent, respectively.

The risk-adjusted capital requirement for market risk in life insurance declined by NOK 2.8 billion during the quarter. The risk level remained relatively high. The low long-term interest rates heighten the risk that the return on the life insurance company's investment funds will not be adequate to cover guaranteed commitments.

DNB's market risk exposure in operations other than life insurance increased by NOK 0.3 billion in the first quarter. Exposures were well within established limits during the quarter.

Risk-weighted volume increased by NOK 65 billion from the first quarter of 2014, to NOK 1 152 billion. The common equity Tier 1 capital ratio was 12.7 per cent, while the capital adequacy ratio was 15.5 per cent. DNB's common equity Tier 1 capital ratio target is minimum 14.0 per cent by year-end 2016.

No material operational events were registered during the first quarter. The Group enjoyed high operational stability with few and low losses.

DNB's anti-money laundering efforts were increased in 2014 and will be given high priority in 2015.

New regulatory framework

Basel IV on the way

During the first quarter of 2015, the Basel Committee issued a consultative document relating to the new capital adequacy regulations for banks. Revisions to the standardised approach for credit risk have been proposed by replacing the current link between risk weights and external credit ratings with a limited number of risk factors, including the borrower's revenues, leverage/loan-to-value ratio and debt-service coverage ratio. The risk factors will vary depending on the type of exposure.

At the same time, the Basel Committee introduced a new floor that will limit reductions in risk weights when using IRB models. The purpose is to ensure that the total level of capital in the banking system does not fall below a certain threshold. In addition, the floor is intended to mitigate model risk and measurement error. The floor will be linked to the revised standardised approach and will replace the current transitional rules, which are based on Basel I ("Basel I floor").

It has not yet been clarified whether the new floor will apply to individual portfolios or to total risk-weighted assets. Nor does the consultative document say anything about the calibration of the floor. In the period ahead, the Basel Committee will consider the final calibration of the risk weights based on feedback from the consultation.

Tightening of bank lending practices

Finanstilsynet has been asked by the Ministry of Finance to consider if it would be appropriate to introduce measures at an aggregate level to dampen growth in housing prices and credit growth in the Norwegian household sector. The Ministry refers to the fact that several years of strong growth in housing prices and household debt have increased the risk that financial instability could trigger and intensify a setback in the Norwegian economy.

Finanstilsynet proposes stricter guidelines for prudent lending practices for home mortgages. This includes removing banks' opportunity to make a special prudential assessment to justify a loan-to-value ratio above 85 per cent. In addition, it has been proposed that borrowers must be able to withstand a 6 percentage point interest rate increase, which represents a 1 percentage point raise from the current guidelines. Finanstilsynet proposes to establish the guidelines in the form of regulations, which will entail a clear tightening of banks' exercise of discretion. The Ministry of Finance has circulated Finanstilsynet's proposal for comments, with a deadline of 4 May 2015.

Competition Authority recommends harmonised rules

During the past year, the Norwegian Competition Authority has carried out a survey of competition in the home mortgage market. The report was published in late March.

The Competition Authority acknowledges the banks' need to build up equity, but finds that the authorities have given too little priority to competitive aspects. Among other things, the Competition Authority takes a critical view of the relatively strong increase in the requirements over a fairly short period of time. In addition, it finds that the Norwegian capital requirements contribute to greater distortion of market competition. The financial authorities are recommended to seek to harmonise the Norwegian rules with the EU's capital adequacy regulations and abstain from imposing stricter risk weighting requirements on banks for the calculation of capital adequacy requirements.

The report includes calculations of the additional costs incurred by the banks and their customers due to the distinctively Norwegian requirements. The calculations show a 0.33 percentage point difference in marginal funding costs between Norwegian IRB banks and branches of international IRB banks operating in Norway. If the distinctively Norwegian requirements have contributed to a 0.33 percentage point rise in the general interest rate level for home mortgages, this may have increased Norwegian home mortgage customers' interest expenses by approximately NOK 6.5 billion, according to the Competition Authority.

The Competition Authority's report is commented on in the Ministry of Finance's Financial Markets Report. According to the report, competitive considerations are always taken into account when drawing up new regulations for the financial services industry, though individual countries must take responsibility for their financial stability and adapt their regulations to the economic situation in their country. The Ministry finds that host country regulations are important in order to reconcile these considerations. In addition, the Ministry stresses that certain regulatory differences need not impair the competition in a situation with large and well-established national market players.

Macroeconomic developments

There is still moderate growth in the global economy, though there are considerable differences from country to country. GDP rose by 0.9 per cent in the euro countries in 2014. After a very weak trend throughout the summer, growth picked up slightly towards the end of 2014. In Sweden, the United Kingdom and the United States, GDP increased by close to 2.5 per cent in 2014.

Among emerging economies, the picture was mixed in the first quarter of 2015. The large commodity exporters, such as Brazil and Russia, showed a particularly weak development. The price of oil fell to just over 45 US dollars a barrel from June 2014 to January 2015, after hovering around 110 US dollars for almost four years. Since then, the price of oil has picked up somewhat, and was approximately 65 US dollars per barrel at the end of April. During the January through March period, low oil prices had different consequences in the various regions. China and other emerging markets in Asia are among the largest oil importers. Japan, Europe and the United States also import large quantities of oil. Large oil exporters include Mexico, Venezuela, Canada, Russia and many countries in the Middle East. Based on new extraction technology, the United States has built up a considerable oil producing sector in recent years. This sector has been affected by the fall in the price of oil. However, the effect of a lower oil price is expected to be positive for the US economy as a whole.

In Norway, lower demand from the petroleum industry and a sluggish trend in private consumption contributed to reduced economic growth throughout 2014. The strong fall in the price of crude oil will reinforce the negative impulses in the future, while an expansive fiscal and monetary policy will help curb the cyclical downturn. The economic turnaround has so far had a limited effect on the labour market. The fall in the price of oil and prospects of even lower interest rates have resulted in a pronounced weakening of the Norwegian krone, clearly improving competitiveness. The declining price of oil means lower revenues for Norway, while demand from the petroleum industry for deliveries from Norwegian companies is falling as a result of weaker profitability. The total scope of these effects depends on the extent and duration of the fall in oil prices. Even based on current oil prices, extensive oil and gas production will be profitable and ensure demand for deliveries from Norwegian companies for several decades ahead. The negative demand effects are limited by the high share of imports. In addition, a weaker Norwegian krone and lower wage inflation will stimulate mainland industries exposed to competition, which will also benefit from a certain increase in international demand.

Housing prices continued to rise through the first quarter of 2015 and were approximately 8 per cent higher at end-March than a year earlier. Price growth is expected to slow during the remainder of the year. High population growth, too little housebuilding activity and an expected prolonged low interest rate level indicate a continued moderate increase in housing prices. However, a relatively low price level, a certain rise in unemployment and lower wage inflation point in the opposite direction.

Future prospects

Economic forecasts for 2015 indicate moderate global economic growth. There appear to be increasing differences between individual countries. Economic growth is also expected in Norway, though the growth will probably slow somewhat in 2015 as a result of declining oil investments and their spillover effects on the mainland economy.

In order to build up adequate common equity Tier 1 capital, the Group will focus on dynamic management of balance sheet items to reflect exchange rate movements. Lending volumes are expected to increase at an annual rate of 3 to 4 per cent, provided that exchange rates remain stable. Volume-weighted spreads are expected to be constant. Nominal costs are expected to remain flat in 2015, excluding restructuring expenses and exchange rate movements. Impairment losses on loans in 2015 are expected to stay below normalised levels. The Group's capital level, return and payout ratio targets remain firm. The long-term tax rate is still estimated to be 25.5 per cent, but is expected to be 24.5 per cent in 2015.

Oslo, 29 April 2015
The Board of Directors of DNB ASA

Anne Carine Tanum
(chairman)

Tore Olaf Rimmereid
(vice-chairman)

Jarle Bergo

Sverre Finstad

Carl A. Løvvik

Vigdis Mathisen

Jaan Ivar Semlitsch

Berit Svendsen

(group chief executive)

Income statement

				DNB Group
Amounts in NOK million	Note	1st quarter 2015	1st quarter 2014	Full year 2014
Total interest income	5	14 825	15 196	61 445
Total interest expenses	5	6 238	7 504	28 959
Net interest income	5	**8 587**	**7 691**	**32 487**
Commission and fee income etc.	6	2 936	2 848	11 565
Commission and fee expenses etc.	6	724	663	2 597
Net gains on financial instruments at fair value	7	3 400	2 089	5 317
Net financial result, DNB Livsforsikring		(98)	(30)	(79)
Net risk result, DNB Livsforsikring		149	135	688
Net insurance result, DNB Skadeforsikring		99	102	491
Profit from investments accounted for by the equity method	16	30	107	226
Net gains on investment property		2	13	82
Other income		329	277	1 182
Net other operating income		**6 124**	**4 877**	**16 877**
Total income		**14 711**	**12 569**	**49 363**
Salaries and other personnel expenses	8	2 859	2 710	10 872
Other expenses	8	1 997	1 944	7 645
Depreciation and impairment of fixed and intangible assets	8	583	538	2 158
Total operating expenses	8	**5 438**	**5 192**	**20 675**
Pre-tax operating profit before impairment		**9 273**	**7 377**	**28 689**
Net gains on fixed and intangible assets		12	(0)	52
Impairment of loans and guarantees	9	575	80	1 639
Pre-tax operating profit		**8 710**	**7 297**	**27 102**
Tax expense		2 130	1 799	6 463
Profit from operations held for sale, after taxes		(47)	(19)	(22)
Profit for the period		**6 533**	**5 478**	**20 617**
Portion attributable to shareholders		6 519	5 478	20 617
Portion attributable to additional Tier 1 capital holders	18	14		
Profit for the period		**6 533**	**5 478**	**20 617**
Earnings/diluted earnings per share (NOK)		4.01	3.37	12.67
Earnings per share excluding operations held for sale (NOK)		4.03	3.38	12.68

Comprehensive income statement

			DNB Group
Amounts in NOK million	1st quarter 2015	1st quarter 2014	Full year 2014
Profit for the period	**6 533**	**5 478**	**20 617**
Actuarial gains and losses, net of tax	(1)	(294)	(2 101)
Property revaluation	27	10	191
Elements of other comprehensive income allocated to customers (life insurance)	(27)	(10)	(191)
Other comprehensive income that will not be reclassified to profit or loss, net of tax	(1)	(294)	(2 101)
Currency translation of foreign operations	2 615	(861)	7 149
Hedging of net investment, net of tax	(1 616)	501	(4 526)
Other comprehensive income that may subsequently be reclassified to profit or loss, net of tax	999	(360)	2 623
Other comprehensive income for the period	**998**	**(654)**	**522**
Comprehensive income for the period	**7 531**	**4 824**	**21 138**

Balance sheet

Amounts in NOK million	Note	31 March 2015	31 Dec. 2014	31 March 2014
				DNB Group
Assets				
Cash and deposits with central banks		304 558	58 505	363 330
Due from credit institutions	12, 13	203 499	373 409	53 845
Loans to customers	10, 11, 12, 13	1 476 186	1 438 839	1 343 832
Commercial paper and bonds at fair value	13, 14	287 906	268 302	280 730
Shareholdings	13	26 545	26 870	33 477
Financial assets, customers bearing the risk	13	45 607	42 866	36 602
Financial derivatives	13	240 881	235 736	134 188
Commercial paper and bonds, held to maturity	12, 14	113 611	118 667	148 491
Investment property	15	28 422	30 404	31 764
Investments accounted for by the equity method		5 949	5 866	5 919
Intangible assets		6 192	6 286	6 363
Deferred tax assets		1 251	1 213	1 065
Fixed assets		13 634	13 830	13 383
Assets held for sale		678	692	252
Other assets		34 962	27 855	29 857
Total assets		**2 789 880**	**2 649 341**	**2 483 098**
Liabilities and equity				
Due to credit institutions	12, 13	263 201	214 214	257 435
Deposits from customers	12, 13	963 102	941 534	900 180
Financial derivatives	13	191 048	184 971	108 474
Debt securities issued	12, 13, 17	853 410	812 025	745 055
Insurance liabilities, customers bearing the risk		45 607	42 866	36 602
Liabilities to life insurance policyholders in DNB Livsforsikring		207 104	216 799	221 564
Insurance liabilities, DNB Skadeforsikring		2 205	1 964	2 076
Payable taxes		2 983	1 723	1 729
Deferred taxes		6 064	6 018	3 840
Other liabilities		43 997	31 908	27 861
Liabilities held for sale		127	100	89
Provisions		1 121	1 172	1 133
Pension commitments		5 941	6 006	4 343
Subordinated loan capital	12, 13, 17	29 542	29 319	26 100
Total liabilities		**2 615 450**	**2 490 619**	**2 336 481**
Share capital		16 285	16 273	16 263
Share premium		22 609	22 609	22 609
Additional Tier 1 capital	18	8 068		
Other equity		127 467	119 841	107 745
Total equity		**174 429**	**158 723**	**146 617**
Total liabilities and equity		**2 789 880**	**2 649 341**	**2 483 098**

Off-balance sheet transactions and contingencies 20

Due to changes in principles, some comparative figures have been restated. See further details in Accounting principles in the annual report for 2014.

Statement of changes in equity

DNB Group

Amounts in NOK million	Share capital [1)]	Share premium	Additional Tier 1 capital	Actuarial gains and losses	Currency translation reserve	Net investment hedge reserve	Other equity [1)]	Total equity [1)]
Balance sheet as at 31 December 2013	**16 278**	**22 609**		**(1 147)**	**1 404**	**(1 119)**	**103 918**	**141 944**
Profit for the period							5 478	5 478
Other comprehensive income				(294)	(861)	501	10	(644)
OCI allocated to customers (life insurance)							(10)	(10)
Comprehensive income for the period				(294)	(861)	501	5 478	4 824
Net purchase of treasury shares	(15)						(136)	(151)
Balance sheet as at 31 March 2014	**16 263**	**22 609**		**(1 442)**	**543**	**(618)**	**109 261**	**146 617**
Balance sheet as at 31 December 2014	**16 273**	**22 609**		**(3 247)**	**8 671**	**(5 645)**	**120 063**	**158 723**
Profit for the period			14				6 519	6 533
Other comprehensive income				(1)	2 615	(1 616)	27	1 025
OCI allocated to customers (life insurance)							(27)	(27)
Comprehensive income for the period			14	(1)	2 615	(1 616)	6 519	7 531
Additional Tier 1 capital issued			8 053				(31)	8 023
Net purchase of treasury shares	13						140	153
Balance sheet as at 31 March 2015	**16 285**	**22 609**	**8 068**	**(3 248)**	**11 286**	**(7 261)**	**126 690**	**174 429**

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

	Share capital	Other equity	Total equity
Balance sheet as at 31 December 2014	*(15)*	*(154)*	*(169)*
Net purchase of treasury shares	*13*	*140*	*153*
Reversal of fair value adjustments through profit and loss		*(17)*	*(17)*
Balance sheet as at 31 March 2015	*(3)*	*(31)*	*(34)*

Cash flow statement

Amounts in NOK million	DNB Group 1st quarter 2015	 1st quarter 2014	 Full year 2014
Operating activities			
Net payments on loans to customers	(21 455)	(7 844)	(50 439)
Interest received from customers	13 185	13 305	54 878
Net receipts on deposits from customers	6 282	34 187	32 530
Interest paid to customers	(720)	(1 260)	(14 050)
Net receipts/payments on loans to credit institutions	218 627	153 845	(224 864)
Interest received from credit institutions	476	422	1 788
Interest paid to credit institutions	(329)	(805)	(2 120)
Net receipts/payments on the sale of financial assets for investment or trading	(15 796)	5 653	85 913
Interest received on bonds and commercial paper	248	1 761	5 654
Net receipts on commissions and fees	2 212	2 218	8 962
Payments to operations	(4 862)	(4 750)	(21 127)
Taxes paid	(348)	(3 598)	(2 993)
Receipts on premiums	6 515	6 076	21 291
Net payments on premium reserve transfers	(13 933)	(14 236)	(24 668)
Payments of insurance settlements	(3 859)	(3 712)	(14 601)
Other receipts/payments	6 069	(4 186)	(3 720)
Net cash flow from operating activities	**192 311**	**177 076**	**(147 566)**
Investment activities			
Net payments on the acquisition of fixed assets	(302)	(531)	(2 512)
Net receipts/payments, investment property	(224)	849	566
Receipts on the sale of long-term investments in shares			463
Payments on the acquisition of long-term investments in shares			(50)
Dividends received on long-term investments in shares	0	101	172
Net cash flow from investment activities	**(525)**	**419**	**(1 360)**
Funding activities			
Receipts on issued bonds and commercial paper	736 175	297 477	1 463 719
Payments on redeemed bonds and commercial paper	(696 316)	(263 704)	(1 423 956)
Interest payments on issued bonds and commercial paper	(5 598)	(4 422)	(12 446)
Interest payments on subordinated loan capital	(338)	(508)	(1 053)
Receipts on issued additional Tier 1 capital	8 022		
Dividend payments			(4 398)
Net cash flow from funding activities	**41 946**	**28 843**	**21 867**
Effects of exchange rate changes on cash and cash equivalents	**12 976**	**(7 006)**	**19 269**
Net cash flow	**246 708**	**199 331**	**(107 791)**
Cash as at 1 January	64 371	172 162	172 162
Net receipts/payments of cash	246 708	199 331	(107 791)
Cash at end of period *)	311 079	371 493	64 371

**) Of which: Cash and deposits with central banks*	*304 558*	*363 330*	*58 505*
Deposits with credit institutions with no agreed period of notice 1)	*6 521*	*8 164*	*5 866*

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 Basis for preparation

The quarterly financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting. A description of the accounting principles applied by the Group when preparing the financial statements appears in the annual report for 2014. The annual and interim financial statements for the Group have been prepared in accordance with IFRS endorsed by EU.

When preparing the consolidated financial statements, management makes estimates, judgment and assumptions that affect the application of the accounting principles and the carrying amount of assets, liabilities, income and expenses. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the significant estimates and areas where judgment is applied appear in note 1 Important accounting estimates, judgments and assumptions in the annual report for 2014.

Note 2 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. The customer segments have recently been redefined. As of 1 January 2015, DNB Finans' operations in Sweden and Denmark are included in the large corporates and international customers segment. Previously, these operations were divided between the small and medium-sized enterprises segment and the personal customer segment. Figures for previous periods have been adjusted correspondingly.

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 2015 corresponds to a common equity Tier 1 capital ratio of 14.5 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, first quarter

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	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Net interest income - ordinary operations	3 247	3 101	1 398	1 237	3 435	2 969	84	77			423	307	8 587	7 691
Interest on allocated capital 3)	89	118	57	83	176	227	20	31			(342)	(459)		
Net interest income	3 336	3 219	1 455	1 320	3 611	3 196	104	108			81	(152)	8 587	7 691
Net other operating income	1 169	1 101	461	376	1 533	1 424	468	590	342	435	2 150	952	6 124	4 877
Total income	4 505	4 319	1 917	1 696	5 145	4 620	572	699	342	435	2 230	800	14 711	12 569
Operating expenses	2 158	2 109	758	751	1 917	1 846	98	107	145	158	362	221	5 438	5 192
Pre-tax operating profit before impairment	2 347	2 210	1 159	945	3 228	2 774	474	591	197	277	1 869	579	9 273	7 377
Net gains on fixed and intangible assets		(1)	(1)		6						6	1	12	
Impairment of loans and guarantees 4)	(45)	74	290	86	312	(93)					18	14	575	80
Profit from repossessed operations				(15)	(57)	2					57	13		
Pre-tax operating profit	2 393	2 135	869	845	2 865	2 870	474	591	197	277	1 913	578	8 710	7 297
Tax expense	646	576	234	228	831	890	123	160	(33)	42	328	(97)	2 130	1 799
Profit from operations held for sale, after taxes											(47)	(19)	(47)	(19)
Profit for the period	1 747	1 559	634	617	2 034	1 980	351	432	230	235	1 537	656	6 533	5 478

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 III) 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 has been adjusted upwards in 2015.*
4) *See note 9 Impairment of loans and guarantees for an analysis of the gross change in impairment for the Group.*

Note 2 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	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Loans to customers [1)]	679.9	647.8	211.7	203.3	552.1	487.7	9.4	3.4			2.3	1.0	1 455.4	1 343.3
Deposits from customers [1)]	368.7	347.7	166.9	152.1	380.0	379.8	159.8	132.7			(1.2)	(7.8)	1 074.1	1 004.5
Assets under management	69.1	63.1	52.5	45.4	209.9	195.9			212.4	226.6	11.4	8.1	555.3	539.2
Allocated capital [2)]	34.8	29.7	21.6	20.1	72.5	57.5	7.4	7.4	17.2	16.3				

Key figures

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	
Per cent	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Cost/income ratio [3)]	47.9	48.8	39.5	44.3	37.3	40.0	17.1	15.3	42.5	36.2			37.0	41.3
Ratio of deposits to loans [1) 4)]	54.2	53.7	78.9	74.8	68.8	77.9							73.8	74.8
Return on allocated capital, annualised [2)]	20.4	21.3	11.9	12.4	11.4	14.0	19.1	23.7	5.4	5.8			16.1	15.4

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 is calculated based on the external capital adequacy requirement (Basel III) 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 has been adjusted upwards in 2015. This resulted in a lower return on capital compared with the preceding periods.*
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 2015	1st quarter 2014	Full year 2014
Recorded interest result	70	1 686	3 038
Risk result	105	122	468
Administration result	55	82	228
Upfront pricing of risk and guaranteed rate of return	133	160	647
Provisions for higher life expentancy, group pension [1)]	189	1 709	2 909
Allocations to policyholders, products with guaranteed returns	203	269	913
Return on corporate portfolio	224	205	652
Pre-tax operating profit - Traditional pension products	196	277	1 212

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

Amounts in NOK million	*Accumulated balance 31 March 2015*
Paid-up policies	*3 584*
Defined benefit	*3 078*
Total group pension [*)]	*6 662*

*) *The total required increase in reserves for the portfolio as at 31 March 2015 was approximately NOK 11.7 billion.*

Note 2 Segments (continued)

Other operations/eliminations

DNB Group

	Eliminations [1]		Group units [2]		Total	
	1st quarter		1st quarter		1st quarter	
Amounts in NOK million	2015	2014	2015	2014	2015	2014
Net interest income - ordinary operations	(14)	(8)	437	315	423	307
Interest on allocated capital [3]			(342)	(459)	(342)	(459)
Net interest income	(14)	(8)	95	(144)	81	(152)
Net other operating income	(371)	(353)	2 521	1 305	2 150	952
Total income	(385)	(361)	2 615	1 161	2 230	800
Operating expenses	(385)	(361)	747	582	362	221
Pre-tax operating profit before impairment			1 869	579	1 869	579
Net gains on fixed and intangible assets			6	1	6	1
Impairment of loans and guarantees [4]			18	14	18	14
Profit from repossessed operations			57	13	57	13
Pre-tax operating profit			1 913	578	1 913	578

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) *Group units include 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, Group units include 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 Group units.*

	1st quarter	
Group units - pre-tax operating profit in NOK million	*2015*	*2014*
+ Interest on unallocated equity etc.	*(51)*	*(153)*
+ Investment in Nets Holding		*913*
+ Income from equities investments	*(171)*	*2*
+ Gains on fixed and intangible assets	*6*	*1*
+ Mark-to-market adjustments Group Treasury and fair value of loans	*493*	*416*
+ Basis swaps	*1 810*	*(596)*
+ Eksportfinans ASA	*34*	*99*
+ Net gains on investment property	*2*	*11*
+ Profit from repossessed operations	*57*	*13*
- Unallocated impairment of loans and guarantees	*18*	*14*
- Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	*101*	*98*
- Unallocated personnel expenses	*16*	*40*
- Unallocated IT and Operations expenses	*(34)*	*5*
- Funding costs on goodwill	*7*	*9*
- Impairment losses for goodwill and capitalised systems development	*23*	*1*
- IT restructuring	*108*	
- Impairment of investment property and fixed assets	*41*	*12*
Other	*15*	*52*
Pre-tax operating profit	*1 913*	*578*

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

4) *See note 9 Impairment of loans and guarantees for an analysis of the gross change in impairment for the Group.*

Note 3 Capital adequacy

Capital adequacy is reported in accordance with the EU's new capital adequacy regulations for banks and investment firms (CRD IV/CRR). 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.

Primary capital	**DNB Bank ASA**		**DNB Bank Group**		**DNB Group**	
Amounts in NOK million	31 March 2015	31 Dec. 2014	31 March 2015	31 Dec. 2014	31 March 2015	31 Dec. 2014
Total equity excluding profit for the period	135 950	127 720	150 343	141 309	167 910	158 723
Effect from regulatory consolidation			(265)	(56)	(273)	150
Non-eligible capital, DNB Livsforsikring					(1 253)	(1 253)
Additional Tier 1 capital instruments included in total equity	(8 053)		(8 053)		(8 053)	
Net accrued interest on additional Tier 1 capital instruments	(10)		(10)		(10)	
Common equity Tier 1 capital instruments	127 886	127 720	142 014	141 253	158 320	157 619
Deductions						
Pension funds above pension commitments	(10)	(7)	(10)	(7)	(21)	(7)
Goodwill	(2 951)	(2 963)	(2 967)	(2 979)	(4 701)	(4 714)
Deferred tax assets that are not due to temporary differences	(82)		(514)	(514)	(514)	(514)
Other intangible assets	(779)	(831)	(1 192)	(1 224)	(1 426)	(1 460)
Dividends payable etc.			(4 000)	(4 000)	(6 189)	(6 189)
Expected losses exceeding actual losses, IRB portfolios	(1 332)	(1 466)	(2 385)	(2 075)	(2 385)	(2 075)
Value adjustments due to the requirements for prudent valuation (AVA)	(522)	(509)	(1 052)	(917)	(1 052)	(917)
Adjustments for unrealised losses/(gains) on debt recorded at fair value	278	278	646	646	646	646
Adjustments for unrealised losses/(gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	(770)	(821)	(240)	(268)	(240)	(266)
Minimum requirement reassurance allocation					(16)	(16)
Common equity Tier 1 capital	121 720	121 402	130 301	129 915	142 423	142 108
Common equity Tier 1 capital incl. 50 per cent of profit for the period	123 453		133 376		145 687	
Additional Tier 1 capital instruments	10 267	4 028	10 267	4 028	10 267	4 028
Tier 1 capital	131 987	125 430	140 568	133 944	152 690	146 136
Tier 1 capital incl. 50 per cent of profit for the period	133 720		143 643		155 954	
Perpetual subordinated loan capital	4 109	4 792	4 109	4 792	4 109	4 792
Term subordinated loan capital	17 975	19 322	17 975	19 322	17 975	19 322
Tier 2 capital	22 084	24 115	22 084	24 115	22 084	24 115
Total eligible capital	154 070	149 545	162 651	158 058	174 773	170 251
Total eligible capital incl. 50 per cent of profit for the period	155 803		165 727		178 037	
Risk-weighted volume, transitional rules	945 223	919 238	1 069 597	1 038 396	1 151 601	1 120 659
Minimum capital requirement, transitional rules	75 618	73 539	85 568	83 072	92 128	89 653
Common equity Tier 1 capital ratio, transitional rules (%)	13.1	13.2	12.5	12.5	12.7	12.7
Tier 1 capital ratio, transitional rules (%)	14.1	13.6	13.4	12.9	13.5	13.0
Capital ratio, transitional rules (%)	16.5	16.3	15.5	15.2	15.5	15.2
Common equity Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	12.9		12.2		12.4	
Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	14.0		13.1		13.3	
Capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	16.3		15.2		15.2	

Note 3 Capital adequacy (continued)

Basel III

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).

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

Amounts in NOK million	Nominal exposure 31 March 2015	EAD [1] 31 March 2015	Average risk weights in per cent 31 March 2015	Risk-weighted volume 31 March 2015	Capital require-ments 31 March 2015	Capital require-ments 31 Dec. 2014
IRB approach						
Corporate	1 036 260	838 115	44.1	369 317	29 545	29 699
Specialised Lending (SL)	5 871	5 759	38.2	2 200	176	179
Retail - mortgage loans	662 877	662 874	24.4	161 843	12 947	8 705
Retail - other exposures	110 183	90 840	27.9	25 372	2 030	2 016
Securitisation	27 580	27 580	69.6	19 198	1 536	1 820
Total credit risk, IRB approach	1 842 772	1 625 168	35.6	577 931	46 234	42 419
Standardised approach						
Central government	55 960	71 425	0.3	223	18	18
Institutions	255 995	113 270	28.2	31 982	2 559	2 730
Corporate	283 307	238 203	93.8	223 536	17 883	16 153
Retail - mortgage loans	42 666	40 600	49.8	20 225	1 618	1 657
Retail - other exposures	101 232	46 179	77.8	35 936	2 875	2 757
Equity positions	2 847	2 847	107.2	3 051	244	241
Securitisation	2 674	2 674	30.2	808	65	66
Other assets	9 276	9 276	111.7	10 361	829	674
Total credit risk, standardised approach	753 956	524 474	62.2	326 122	26 090	24 297
Total credit risk	2 596 728	2 149 642	42.1	904 052	72 324	66 715
Market risk						
Position risk, debt instruments				17 090	1 367	1 380
Position risk, equity instruments				244	20	39
Currency risk						
Commodity risk				108	9	9
Credit value adjustment risk (CVA)				7 252	580	601
Total market risk				24 693	1 975	2 029
Operational risk				81 830	6 546	6 546
Net insurance, after eliminations				85 169	6 814	6 828
Total risk-weighted volume and capital requirements before transitional rules				1 095 745	87 660	82 119
Additional capital requirements according to transitional rules [2]				55 857	4 469	7 534
Total risk-weighted volume and capital requirements				1 151 601	92 128	89 653

1) *EAD, exposure at default.*

2) *Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent of the corresponding figure calculated according to the Basel I regulations.*

Note 4 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 65.2 per cent at end-March 2015, down from 67.0 per cent a year earlier. The ratio of deposits to net loans in DNB Bank ASA was 123.6 per cent at end-March 2015.

The short-term funding markets remained generally sound in the first quarter of 2015, and there are now insignificant price differences between the best and second best banks. In spite of somewhat stronger competition, DNB had ample access to short-term funding in all currencies throughout the first quarter. In the long-term funding markets, there was also a healthy supply of capital in the first quarter. Margins on long-term funding improved during the quarter after the European Central Bank, ECB, presented its covered bond purchase programme as one of several measures to stimulate European economic activity. This applied in particular to the cost of new funding in the form of covered bonds, though the costs relating to senior bonds also showed a favourable trend due to strong demand among investors and limited supply in the market.

The short-term liquidity requirement, Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the quarter. At end-March, the total LCR was 122 per cent, with an LCR of 164 per cent for EUR and 219 per cent for USD.

The average remaining term to maturity for the portfolio of senior bond debt and covered bonds was 4.1 years at end-March 2015, down from 4.5 years a year earlier. The DNB Group aims to achieve a sound and stable maturity structure for funding over the next five years.

Note 5 Net interest income

		DNB Group	
Amounts in NOK million	1st quarter 2015	1st quarter 2014	Full year 2014
Interest on amounts due from credit institutions	460	447	1 814
Interest on loans to customers	12 504	12 887	52 139
Interest on impaired loans and guarantees	131	118	643
Interest on commercial paper and bonds	1 219	1 348	5 078
Front-end fees etc.	80	73	316
Other interest income	431	323	1 456
Total interest income	**14 825**	**15 196**	**61 445**
Interest on amounts due to credit institutions	351	555	1 755
Interest on deposits from customers	2 776	3 615	13 827
Interest on debt securities issued	3 202	3 146	12 633
Interest on subordinated loan capital	145	141	572
Guarantee fund levy [1)]	205	192	780
Other interest expenses [2)]	(441)	(144)	(608)
Total interest expenses	**6 238**	**7 504**	**28 959**
Net interest income	**8 587**	**7 691**	**32 487**

1) The amount recorded in the quarter represents a proportional share of the estimated annual levy.
2) Other interest expenses include interest rate adjustments resulting from interest swaps entered into.

Note 6 Net commission and fee income

Amounts in NOK million	DNB Group 1st quarter 2015	1st quarter 2014	Full year 2014
Money transfer fees	858	831	3 476
Fees on asset management services	338	297	1 259
Fees on custodial services	86	87	353
Fees on securities broking	88	98	350
Corporate finance	219	234	740
Interbank fees	6	8	35
Credit broking commissions	149	121	630
Sales commissions on insurance products	687	700	2 800
Fees on real estate broking	279	236	1 095
Sundry commissions and fees	225	237	829
Total commission and fee income etc.	**2 936**	**2 848**	**11 565**
Money transfer fees	358	318	1 341
Commissions on fund management services	80	52	225
Fees on custodial services	40	39	160
Interbank fees	14	16	67
Credit broking commissions	7	15	56
Commissions on the sale of insurance products	54	42	131
Sundry commissions and fees	172	182	617
Total commission and fee expenses etc.	**724**	**663**	**2 597**
Net commission and fee income	**2 212**	**2 185**	**8 969**

Note 7 Net gains on financial instruments at fair value

Amounts in NOK million	DNB Group 1st quarter 2015	1st quarter 2014	Full year 2014
Dividends	22	195	420
Net gains on commercial paper and bonds	(72)	658	3 109
Net gains on shareholdings and equity-related derivatives	(276)	788	112
Net unrealised gains on basis swaps	1 810	(596)	394
Net gains on other financial instruments	1 916	1 044	1 282
Net gains on financial instruments at fair value	**3 400**	**2 089**	**5 317**

Note 8 Operating expenses

Amounts in NOK million	DNB Group 1st quarter 2015	1st quarter 2014	Full year 2014
Salaries	2 043	1 988	7 959
Employer's national insurance contributions	311	286	1 146
Pension expenses	278	257	899
Restructuring expenses	50	46	239
Other personnel expenses	177	132	628
Total salaries and other personnel expenses	**2 859**	**2 710**	**10 872**
Fees [1)]	352	352	1 391
IT expenses [1)]	674	553	2 223
Postage and telecommunications	78	73	297
Office supplies	23	24	101
Marketing and public relations	223	223	863
Travel expenses	55	51	258
Reimbursement to Norway Post for transactions executed	45	52	231
Training expenses	19	15	61
Operating expenses on properties and premises	294	353	1 284
Operating expenses on machinery, vehicles and office equipment	21	31	103
Other operating expenses	212	217	834
Total other expenses	**1 997**	**1 944**	**7 645**
Impairment losses for goodwill			5
Depreciation and impairment of fixed and intangible assets	583	538	2 153
Total depreciation and impairment of fixed and intangible assets	**583**	**538**	**2 158**
Total operating expenses	**5 438**	**5 192**	**20 675**

1) *Fees also include system development fees and must be viewed relative to IT expenses.*

Note 9 Impairment of loans and guarantees

Amounts in NOK million	DNB Group 1st quarter 2015	1st quarter 2014	Full year 2014
Write-offs	119	143	823
New/increased individual impairment	1 073	857	3 078
Total new/increased individual impairment	1 191	1 000	3 901
Reassessed individual impairment previous years	467	554	1 245
Recoveries on loans and guarantees previously written off	194	114	677
Net individual impairment	530	332	1 980
Change in collective impairment of loans	44	(252)	(341)
Impairment of loans and guarantees [1)]	**575**	**80**	**1 639**
Write-offs covered by individual impairment made in previous years	1 220	615	2 422
1) Of which individual impairment of guarantees	*26*	*(198)*	*(143)*

Note 10 Loans to customers

Amounts in NOK million	31 March 2015	31 Dec. 2014	31 March 2014
			DNB Group
Loans at amortised cost			
Loans to customers, nominal amount	1 368 096	1 339 416	1 231 862
Individual impairment	9 821	9 646	9 605
Loans to customers, after individual impairment	1 358 275	1 329 770	1 222 258
+ Accrued interest and amortisation	2 484	2 504	2 839
- Individual impairment of accrued interest and amortisation	671	680	762
- Collective impairment	2 210	2 139	2 050
Loans to customers, at amortised cost	1 357 878	1 329 456	1 222 284
Loans at fair value			
Loans to customers, nominal amount	115 672	106 226	119 354
+ Accrued interest	262	279	358
+ Adjustment to fair value	2 374	2 879	1 836
Loans to customers, at fair value	118 308	109 384	121 548
Loans to customers	**1 476 186**	**1 438 839**	**1 343 832**

Note 11 Net impaired loans and guarantees for principal customer groups [1)]

Amounts in NOK million	31 March 2015	31 Dec. 2014	31 March 2014
			DNB Group
Private individuals	3 028	3 071	3 370
Transportation by sea and pipelines and vessel construction	2 071	3 862	3 976
Real estate	2 665	2 517	3 288
Manufacturing	789	776	707
Services	521	673	489
Trade	308	1 265	324
Oil and gas			50
Transportation and communication	417	495	963
Building and construction	900	962	1 123
Power and water supply	28	29	41
Seafood	61	26	54
Hotels and restaurants	112	103	148
Agriculture and forestry	106	144	112
Central and local government	0		
Other sectors	9	20	26
Total customers	11 016	13 943	14 671
Credit institutions			4
Total net impaired loans and guarantees	11 016	13 943	14 675
Non-performing loans and guarantees not subject to impairment	2 841	3 318	1 744
Total net non-performing and doubtful loans and guarantees	13 856	17 261	16 419

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 12 Fair value of financial instruments at amortised cost

				DNB Group
	31 March 2015		31 March 2014	
Amounts in NOK million	Carrying amount	Fair value	Carrying amount	Fair value
Cash and deposits with central banks	13 759	13 759	10 603	10 603
Due from credit institutions	21 744	21 744	18 765	18 765
Loans to customers	1 357 878	1 358 881	1 222 284	1 223 977
Commercial paper and bonds, held to maturity	113 611	125 206	148 491	154 558
Total financial assets	1 506 992	1 519 590	1 400 142	1 407 903
Due to credit institutions	28 627	28 627	29 437	29 437
Deposits from customers	893 439	893 439	837 443	837 443
Securities issued [1)]	536 276	544 905	460 336	467 040
Subordinated loan capital [1)]	28 285	28 530	24 846	25 168
Total financial liabilities	1 486 627	1 495 501	1 352 062	1 359 087

1) *Includes hedged liabilities.*

Note 13 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 2015					
Deposits with central banks		290 798		0	290 799
Due from credit institutions		181 732		22	181 755
Loans to customers		9 762	108 284	262	118 308
Commercial paper and bonds at fair value	42 606	242 182	143	2 974	287 906
Shareholdings	7 580	11 684	7 281		26 545
Financial assets, customers bearing the risk		45 607			45 607
Financial derivatives	466	238 373	2 041		240 881
Liabilities as at 31 March 2015					
Due to credit institutions		234 544		30	234 574
Deposits from customers		69 568		95	69 663
Debt securities issued		316 483		651	317 133
Subordinated loan capital		1 256		1	1 257
Financial derivatives	324	188 905	1 819		191 048
Other financial liabilities [2]	4 065			1	4 066

1) *Accrued interest on financial derivatives is included in the amounts in levels 2 and 3.*
2) *Short positions, trading activities.*

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 2014	**100 986**	**251**	**7 621**	**1 877**	**1 463**
Net gains on financial instruments	(505)	8	(136)	196	169
Additions/purchases	17 320	6	190	150	296
Sales		64	393		
Settled	9 517			192	117
Transferred from level 1 or level 2		31			
Transferred to level 1 or level 2		63			
Other		(25)		11	9
Carrying amount as at 31 March 2015	**108 284**	**143**	**7 281**	**2 041**	**1 819**

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.*

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 discount factor used has as a starting point a swap rate based on a duration equal to the average remaining lock-in period for the relevant fixed-rate loans. 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 corre-sponding 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 description of the instruments and valuation techniques, see the annual report for 2014.

Note 13 Financial instruments at fair value (continued)

Breakdown of fair value, level 3

DNB Group

Amounts in NOK million	Loans to customers (31 March 2015)	Commercial paper and bonds (31 March 2015)	Share-holdings (31 March 2015)
Principal amount/purchase price	105 910	166	7 322
Fair value adjustment [1)]	2 374	(23)	(41)
Total fair value, excluding accrued interest	108 284	143	7 281

1) *Changes in the fair value of customer loans mainly result from changes in swap rates. A corresponding negative adjustment is made in the fair value of financial instruments used for financial hedging.*

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 2015	579	1 241	1 398	4 037	26	7 281

Sensitivity analysis, level 3

DNB Group

Amounts in NOK million	Carrying amount 31 March 2015	Effect of reasonably possible alternative assumptions
Loans to customers	108 284	(225)
Commercial paper and bonds	143	(0)
Shareholdings	7 281	
Financial derivatives, net	222	

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 5 668 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 classified as level 3 was NOK 1 545 million as at 31 March 2015.

Note 14 Commercial paper and bonds, held to maturity

Amounts in NOK million	DNB Group 31 March 2015	31 Dec. 2014	31 March 2014
International bond portfolio	27 580	31 927	60 021
DNB Livsforsikring AS	87 657	88 330	91 139
Other units [1)]	(1 626)	(1 590)	(2 670)
Commercial paper and bonds, held to maturity	**113 611**	**118 667**	**148 491**

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. As of 1 January 2014, the fair value of the portfolio is determined based on broker quotes. If fair value had been used to determine the value of the portfolio in the first quarter of 2015, there would have been a NOK 14 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 2015 was NOK 0.5 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 16.3 billion at end-March 2015. 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 9 million at end-March 2015.

Effects on profits of the reclassification

Amounts in NOK million	DNB Group 1st quarter 2015	1st quarter 2014	Full year 2014
Recorded amortisation effect	39	31	106
Net gain, if valued at fair value	25	(117)	189
Effects of reclassification on profits	14	149	(83)

Effects on the balance sheet of the reclassification

Amounts in NOK million	DNB Group 31 March 2015	31 Dec. 2014	31 March 2014
Recorded unrealised losses	458	497	572
Unrealised losses, if valued at fair value	919	943	1 250
Effects of reclassification on the balance sheet	460	446	678

Development in the portfolio after the reclassification

Amounts in NOK million	DNB Group 31 March 2015	31 Dec. 2014	31 March 2014
Reclassified portfolio, carrying amount	16 255	17 558	18 436
Reclassified portfolio, if valued at fair value	15 795	17 112	17 758
Effects of reclassification on the balance sheet	460	446	678

Note 14 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 2015 the international bond portfolio represented NOK 125.7 billion. 61.1 per cent of the securities in the portfolio had an AAA rating, while 31.6 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 2015	NOK million 31 March 2015
Asset class		
Residential mortgages	19.83	25 015
Corporate loans	0.01	9
Government related	36.83	46 455
Covered bonds	43.33	54 641
Total international bond portfolio, nominal values	100.00	126 120
Accrued interest, amortisation effects and fair value adjustments		(457)
Total international bond portfolio		125 663
Total international bond portfolio, held to maturity		27 580
Of which reclassified portfolio		16 255

The average term to maturity of the international bond portfolio is 3.7 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 10 million at end-March 2015.

DNB Livsforsikring

Bonds held-to-maturity totalled NOK 87.7 billion in DNB Livsforsikring ASA's as at 31 March 2015, mainly comprising bonds issued by highly creditworthy borrowers. 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 2015	NOK million 31 March 2015
Asset class		
Government/government-guaranteed	21,74	18 640
Guaranteed by supranational entities	1,52	1 300
Municipalities/county municipalities	9,71	8 320
Bank and mortgage institutions	15,16	12 998
Covered bonds	35,51	30 444
Other issuers	16,36	14 022
Total bond portfolio DNB Livsforsikring, held to maturity, nominal values	100,00	85 723
Accrued interest, amortisation effects and fair value adjustments		1 935
Total bond portfolio DNB Livsforsikring, held to maturity		87 657

Note 15 Investment properties

Amounts in NOK million	31 March 2015	31 Dec. 2014	31 March 2014
	DNB Group		
DNB Livsforsikring	29 651	31 414	32 484
Properties for own use [1]	(5 769)	(5 753)	(5 464)
Other investment properties [2]	4 539	4 743	4 744
Total investment properties	**28 422**	**30 404**	**31 764**

1) *Some properties in DNB Livsforsikring are classified as properties for own use in the group accounts and are recorded at fair value.*
2) *Other investment properties are mainly related to acquired companies.*

Due to changes in principles, some comparative figures have been restated. See further details in Accounting principles in the annual report for 2014.

Investment properties in the Group are principally owned by DNB Livsforsikring. DNB Livsforsikring's portfolio totalled NOK 29 651 million as at 31 March 2015.

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 first quarter of 2015, external appraisals were obtained for a total of 10 properties, representing 31 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 4.8 per cent lower 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 portfolio, a required rate of return of 8.5 per cent has been principally used. The same general required rate of return is used for the hotel and shopping centre portfolios, but for some of the hotel and shopping centres, based on an individual evaluation, an adjustment of the required rate of return has been made in the interval minus 0.4 to plus 0.4 percentage points.

Value development and sensitivity

The value of investment properties in DNB Livsforsikring was adjusted upwards by NOK 46 million during the first quarter of 2015. 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 4.0 per cent or NOK 843 million. Correspondingly, a 5 per cent change in future market rents will change the value of the property portfolio by 3.4 per cent or NOK 721 million.

Changes in the value of investment properties

Amounts in NOK million	DNB Group Investment property
Carrying amount as at 31 December 2013	**32 753**
Additions, purchases of new properties	138
Additions, capitalised investments	(789)
Additions, acquired companies	264
Net gains resulting from adjustment to fair value	(69)
Disposals	503
Exchange rate movements	(30)
Recorded value as at 31 March 2014	**31 764**
Carrying amount as at 31 December 2014	**30 404**
Additions, purchases of new properties	71
Additions, capitalised investments	23
Additions, acquired companies	
Net gains resulting from adjustment to fair value [1]	35
Disposals	1 808
Exchange rate movements	(303)
Carrying amount as at 31 March 2015	**28 422**

1) *Of which NOK 3 million represented a negative value adjustment of investment properties which are not owned by DNB Livsforsikring.*

Note 16 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 these unrealised gains on DNB's holding, after tax, represented NOK 11.8 billion. 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, 2014 and 2015, 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 73 million were made in the first quarter of 2015. The remaining impairment loss was NOK 266 million at end-March 2015. The impairment loss in 2011 and subsequent reversals have been reported on the line "Profit from investments accounted for by the equity method" along with DNB's share of profits from the company.

Note 17 Debt securities issued and subordinated loan capital

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

Debt securities issued — **DNB Group**

Amounts in NOK million	31 March 2015	31 Dec. 2014	31 March 2014
Commercial paper issued, nominal amount	233 191	206 715	210 546
Bond debt, nominal amount [1)]	577 456	560 650	505 366
Adjustments	42 763	44 660	29 143
Total debt securities issued	**853 410**	**812 025**	**745 055**

Changes in debt securities issued — **DNB Group**

Amounts in NOK million	Balance sheet 31 March 2015	Issued 2015	Matured/ redeemed 2015	Exchange rate movements 2015	Other adjustments 2015	Balance sheet 31 Dec. 2014
Commercial paper issued, nominal amount	233 191	709 619	688 131	4 988		206 715
Bond debt, nominal amount [1)]	577 456	26 556	8 185	(1 565)		560 650
Adjustments	42 763				(1 898)	44 660
Total debt securities issued	**853 410**	**736 175**	**696 316**	**3 423**	**(1 898)**	**812 025**

Changes in subordinated loan capital and perpetual subordinated loan capital securities — **DNB Group**

Amounts in NOK million	Balance sheet 31 March 2015	Issued 2015	Matured/ redeemed 2015	Exchange rate movements 2015	Other adjustments 2015	Balance sheet 31 Dec. 2014
Term subordinated loan capital, nominal amount	19 085			(237)		19 322
Perpetual subordinated loan capital, nominal amount	5 250			457		4 792
Perpetual subordinated loan capital securities, nominal amount	4 192			163		4 028
Adjustments	1 016				(160)	1 176
Total subordinated loan capital and perpetual subordinated loan capital securities	**29 542**			**383**	**(160)**	**29 319**

1) *Minus own bonds. Nominal amount of outstanding covered bonds in DNB Boligkreditt totalled NOK 453.0 billion as at 31 March 2015. The cover pool market value represented NOK 557.2 billion.*

Note 18 Additional Tier 1 capital

During the first quarter of 2015 the Group's subsidiary, DNB Bank ASA, issued two additional Tier 1 capital instruments. The instruments have a nominal value of NOK 2 150 million and USD 750 million (NOK 5 903 million). The instruments are perpetual but the bank can repay the capital on specific dates, first time five years after the issuing. The interest rates to be paid are floating 3 months NIBOR plus 3.25 per cent and fixed 5.75 per cent respectively. The issue in Norwegian kroner has quarterly payments while the issue in US dollar has annual payments.

The agreed terms for the instruments meet the requirements in the EU's CRR regulations, and the instruments are included in the Group's Tier 1 capital for capital adequacy purposes. This implies that DNB Bank ASA has a unilateral right not to repay interest or the principal to the investors. As a consequence of these terms, the instruments do not meet the requirement for a liability in IAS 32 and are therefore presented on the line Additional Tier 1 capital within the Group's equity. Further, it implies that the interest is not presented within the line Total interest expenses but as a reduction in Other equity. Correspondingly, seen in isolation, the benefit from the tax deduction for the interest will give an increase in Other equity and not be presented as a deduction within the line Tax expense, as it is the shareholder who benefit from the tax deduction. Accumulated interest for first quarter 2015 totaled NOK 14 million.

Equity shall be measured at historical exchange rates when the transaction currency differs from the company's functional currency. The issue in US dollars was thus converted to Norwegian kroner at the exchange rate prevailing on 26 March 2015 without any subsequent revaluation.

Earnings per share

The main purpose of the financial ratio earnings per share is to show the return for the Group's ordinary shareholders. Accumulated interest for the period, which will be paid to those investing in the additional Tier 1 capital instruments, has therefore been deducted from Profit for the period in the calculation of the period's earnings per share.

Note 19 Information on related parties

DNB Bank ASA carries loans in its balance sheets which according to a legal agreement have been transferred to Eksportfinans ASA 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 2.7 billion at end-March 2015.

Note 20 Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information			**DNB Group**
Amounts in NOK million	31 March 2015	31 Dec. 2014	31 March 2014
Performance guarantees	47 321	46 603	49 314
Payment guarantees	25 759	29 930	22 699
Loan guarantees [1)]	16 802	17 417	18 851
Guarantees for taxes etc.	6 842	6 684	6 833
Other guarantee commitments	2 644	2 384	2 231
Total guarantee commitments	99 368	103 017	99 929
Support agreements	11 060	13 202	10 504
Total guarantee commitments etc. [*)]	110 427	116 220	110 433
Unutilised credit lines and loan offers	626 674	608 157	547 808
Documentary credit commitments	5 162	4 432	3 981
Other commitments	1 419	700	709
Total commitments	633 254	613 289	552 497
Total guarantee and off-balance commitments	743 682	729 508	662 930
Pledged securities		393	25 196
**) Of which counter-guaranteed by financial institutions*	*362*	*299*	*127*

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 2.7 billion were recorded in the balance sheet as at 31 March 2015. 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 subject to a number of complaints and disputes relating to structured products and other investment 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.

DNB ASA

Income statement

Amounts in NOK million	1st quarter 2015	1st quarter 2014	Full year 2014
Total interest income	33	36	157
Total interest expenses	60	77	299
Net interest income	**(26)**	**(41)**	**(142)**
Commissions and fees payable etc.	2	1	6
Other income [1]			7 214
Net other operating income	**(2)**	**(1)**	**7 209**
Total income	**(29)**	**(42)**	**7 067**
Salaries and other personnel expenses	1	1	6
Other expenses	100	97	385
Total operating expenses	**101**	**98**	**391**
Pre-tax operating profit	**(130)**	**(140)**	**6 676**
Tax expense	(35)	(38)	239
Profit for the period	**(95)**	**(102)**	**6 438**
Earnings/diluted earnings per share (NOK)	(0.06)	(0.06)	3.95
Earnings per share excluding operations held for sale (NOK)	(0.06)	(0.06)	3.95

DNB ASA

Balance sheet

Amounts in NOK million	31 March 2015	31 Dec. 2014	31 March 2014
Assets			
Due from DNB Bank ASA	5 781	5 810	4 713
Loans to other group companies [2]	1 489	1 437	1 350
Investments in group companies	66 085	66 085	66 414
Receivables due from group companies [1]	7 214	7 214	9 579
Other assets	35		107
Total assets	**80 604**	**80 547**	**82 163**
Liabilities and equity			
Short-term amounts due to DNB Bank ASA	18	14	76
Due to other group companies	879	879	4 962
Other liabilities and provisions	6 190	6 193	4 398
Long-term amounts due to DNB Bank ASA	12 204	12 054	11 670
Total liabilities	**19 291**	**19 140**	**21 106**
Share capital	16 288	16 288	16 288
Share premium	22 556	22 556	22 556
Other equity	22 469	22 563	22 213
Total equity	**61 313**	**61 408**	**61 057**
Total liabilities and equity	**80 604**	**80 547**	**82 163**

DNB ASA

1) Of which group contributions from DNB Bank ASA represented NOK 4 230 million in 2014. The group contribution from DNB Livsforsikring AS represented NOK 2 525 million in 2014. The group contribution from DNB Skadeforsikring AS represented NOK 200 million in 2014.

2) Of which subordinated loans to DNB Livsforsikring AS represented NOK 1 489 million as at 31 March 2015 and NOK 1 329 million as at 31 March 2014. As at 31 December 2014, this figure was NOK 1 427 million.

Statement of changes in equity

Amounts in NOK million	Share capital	Share premium	Other equity	Total equity
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**
Balance sheet as at 31 December 2014	**16 288**	**22 556**	**22 563**	**61 408**
Profit for the period			(95)	(95)
Balance sheet as at 31 March 2015	**16 288**	**22 556**	**22 469**	**61 313**

DNB ASA

Basis for preparation

DNB ASA has prepared the financial statements according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-6, on the use of IFRS. A description of the accounting principles applied by the Group when preparing the financial statements appears in the annual report for 2014.

Key figures

		DNB Group		
		1st quarter 2015	1st quarter 2014	Full year 2014
Interest rate analysis				
1.	Combined weighted total average spread for lending and deposits (%)	1.28	1.25	1.26
2.	Average spread for ordinary lending to customers (%)	2.32	2.42	2.36
3.	Average spread for deposits from customers (%)	(0.11)	(0.29)	(0.22)
Rate of return/profitability				
4.	Net other operating income, per cent of total income	41.6	38.8	34.2
5.	Cost/income ratio (%)	37.0	41.3	41.9
6.	Return on equity, annualised (%)	16.1	15.4	13.8
7.	RAROC, annualised (%)	11.4	14.9	12.3
8.	Average equity including allocated dividend (NOK million)	164 004	144 132	149 460
9.	Return on average risk-weighted volume, annualised (%)	2.33	2.04	1.89
Financial strength at end of period				
10.	Common equity Tier 1 capital ratio, transitional rules (%) [1)]	12.7	11.9	12.7
11.	Tier 1 capital ratio, transitional rules (%) [1)]	13.5	12.3	13.0
12.	Capital ratio, transitional rules (%) [1)]	15.5	14.2	15.2
13.	Common equity Tier 1 capital (NOK million) [1)]	145 687	127 098	142 108
14.	Risk-weighted volume, transitional rules (NOK million)	1 151 601	1 087 513	1 120 659
Loan portfolio and impairment				
15.	Individual impairment relative to average net loans to customers, annualised (%)	0.15	0.10	0.14
16.	Impairment relative to average net loans to customers, annualised (%)	0.16	0.02	0.12
17.	Net non-performing and net doubtful loans and guarantees, per cent of net loans	0.83	1.19	0.96
18.	Net non-performing and net doubtful loans and guarantees at end of period (NOK million)	13 856	16 419	17 261
Liquidity				
19.	Ratio of customer deposits to net loans to customers at end of period (%)	65.2	67.0	65.4
Total assets owned or managed by DNB				
20.	Customer assets under management at end of period (NOK billion)	554	518	549
21.	Total combined assets at end of period (NOK billion)	3 089	2 741	2 936
22.	Average total assets (NOK billion)	3 017	2 676	2 712
23.	Customer savings at end of period (NOK billion)	1 518	1 418	1 490
Staff				
24.	Number of full-time positions at end of period	11 563	11 780	11 643
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)	4.01	3.37	12.67
28.	Earnings per share excl. operations held for sale (NOK)	4.03	3.38	12.68
29.	Dividend per share (NOK)			3.80
30.	Total shareholders' return (%)	17.2	(4.1)	4.7
31.	Dividend yield (%)			3.16
32.	Equity per share incl. allocated dividend at end of period (NOK)	102.14	90.02	97.45
33.	Share price at end of period (NOK)	129.70	104.10	110.70
34.	Price/earnings ratio	8.09	7.72	8.74
35.	Price/book value	1.27	1.16	1.14
36.	Market capitalisation (NOK billion)	211.3	169.6	180.3

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.

Key figures (continued)

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	Return on equity represents the shareholders' share of profit for the period relative to average equity.
7	RAROC (Risk-Adjusted Return On Capital) is defined as risk-adjusted profits (shareholders' share) relative to average equity. Risk-adjusted profits indicate the level of profits in a normalised situation. Among other things, recorded impairment losses on loans are replaced by normalised losses.
8	Average equity is estimated on the basis of recorded equity including allocated dividend, but excluding additional Tier 1 capital. Thus this amount corresponds to the shareholders' share of equity.
9	The shareholders' share of 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 23 April 2015 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 per share. The authorisation is valid for a period of 12 months from 23 April 2015. 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	The shareholders' share of profits relative to the average number of shares excluding any holdings of own shares.
28	The shareholders' share of profits excluding profits from 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	The shareholders' share of equity, excluding additional Tier 1 capital, at end of period relative to the number of shares.
34	Closing price at end of period relative to annualised earnings per share.
35	Share price at end of period relative to equity per share.
36	Number of shares multiplied by the closing share price at end of period.

Profit and balance sheet trends

Income statement — **DNB Group**

Amounts in NOK million	1st quarter 2015	4th quarter 2014	3rd quarter 2014	2nd quarter 2014	1st quarter 2014
Total interest income	14 825	15 533	15 291	15 426	15 196
Total interest expenses	6 238	6 833	7 063	7 559	7 504
Net interest income	**8 587**	**8 700**	**8 228**	**7 867**	**7 691**
Commission and fee income etc.	2 936	3 008	2 852	2 858	2 848
Commission and fee expenses etc.	724	694	622	617	663
Net gains on financial instruments at fair value	3 400	279	1 817	1 132	2 089
Net financial result, DNB Livsforsikring	(98)	(115)	(87)	152	(30)
Net risk result, DNB Livsforsikring	149	300	223	30	135
Net insurance result, DNB Skadeforsikring	99	129	121	139	102
Profit from investments accounted for by the equity method	30	44	41	34	107
Net gains on investment property	2	89	(17)	(3)	13
Other income	329	313	232	361	277
Net other operating income	**6 124**	**3 352**	**4 560**	**4 087**	**4 877**
Total income	**14 711**	**12 052**	**12 788**	**11 954**	**12 569**
Salaries and other personnel expenses	2 859	2 620	2 752	2 789	2 710
Other expenses	1 997	1 896	1 848	1 957	1 944
Depreciation and impairment of fixed and intangible assets	583	571	563	486	538
Total operating expenses	**5 438**	**5 088**	**5 162**	**5 233**	**5 192**
Pre-tax operating profit before impairment	**9 273**	**6 964**	**7 626**	**6 722**	**7 377**
Net gains on fixed and intangible assets	12	42	13	(3)	(0)
Impairment of loans and guarantees	575	821	183	554	80
Pre-tax operating profit	**8 710**	**6 184**	**7 456**	**6 165**	**7 297**
Tax expense	2 130	1 236	1 828	1 600	1 799
Profit from operations held for sale, after taxes	(47)	16	(8)	(11)	(19)
Profit for the period	**6 533**	**4 965**	**5 620**	**4 553**	**5 478**
Portion attributable to shareholders	6 519	4 965	5 620	4 553	5 478
Portion attributable to additional Tier 1 capital holders	14				
Profit for the period	**6 533**	**4 965**	**5 620**	**4 553**	**5 478**
Earnings/diluted earnings per share (NOK)	4.01	3.05	3.45	2.80	3.37

Comprehensive income statement — **DNB Group**

Amounts in NOK million	1st quarter 2015	4th quarter 2014	3rd quarter 2014	2nd quarter 2014	1st quarter 2014
Profit for the period	**6 533**	**4 965**	**5 620**	**4 553**	**5 478**
Actuarial gains and losses, net of tax	(1)	(1 072)	(573)	(161)	(294)
Property revaluation	27	108	41	32	10
Elements of other comprehensive income allocated to customers (life insurance)	(27)	(108)	(41)	(32)	(10)
Other comprehensive income that will not be reclassified to profit or loss, net of tax	(1)	(1 072)	(573)	(161)	(294)
Currency translation of foreign operations	2 615	6 294	451	1 264	(861)
Hedging of net investment, net of tax	(1 616)	(3 926)	(398)	(703)	501
Other comprehensive income that may subsequently be reclassified to profit or loss, net of tax	999	2 368	53	561	(360)
Other comprehensive income for the period	**998**	**1 296**	**(520)**	**400**	**(654)**
Comprehensive income for the period	**7 531**	**6 261**	**5 100**	**4 953**	**4 824**

Profit and balance sheet trends (continued)

Balance sheet

Amounts in NOK million	31 March 2015	31 Dec. 2014	30 Sept. 2014	30 June 2014	31 March 2014
DNB Group					
Assets					
Cash and deposits with central banks	304 558	58 505	213 375	171 346	363 330
Due from credit institutions	203 499	373 409	111 977	191 487	53 845
Loans to customers	1 476 186	1 438 839	1 387 742	1 369 271	1 343 832
Commercial paper and bonds at fair value	287 906	268 302	269 757	265 787	280 730
Shareholdings	26 545	26 870	27 215	30 756	33 477
Financial assets, customers bearing the risk	45 607	42 866	40 780	39 458	36 602
Financial derivatives	240 881	235 736	153 397	141 666	134 188
Commercial paper and bonds, held to maturity	113 611	118 667	123 315	138 273	148 491
Investment property	28 422	30 404	29 989	31 241	31 764
Investments accounted for by the equity method	5 949	5 866	5 786	5 881	5 919
Intangible assets	6 192	6 286	6 182	6 302	6 363
Deferred tax assets	1 251	1 213	1 188	1 099	1 065
Fixed assets	13 634	13 830	13 422	13 514	13 383
Assets held for sale	678	692	238	1 119	252
Other assets	34 962	27 855	38 539	38 499	29 857
Total assets	**2 789 880**	**2 649 341**	**2 422 901**	**2 445 699**	**2 483 098**
Liabilities and equity					
Due to credit institutions	263 201	214 214	187 030	214 438	257 435
Deposits from customers	963 102	941 534	887 813	881 920	900 180
Financial derivatives	191 048	184 971	126 158	108 922	108 474
Debt securities issued	853 410	812 025	724 761	742 192	745 055
Insurance liabilities, customers bearing the risk	45 607	42 866	40 780	39 458	36 602
Liabilities to life insurance policyholders in DNB Livsforsikring	207 104	216 799	217 625	224 093	221 564
Insurance liabilities, DNB Skadeforsikring	2 205	1 964	2 023	2 072	2 076
Payable taxes	2 983	1 723	4 604	3 057	1 729
Deferred taxes	6 064	6 018	2 961	3 135	3 840
Other liabilities	43 997	31 908	43 322	45 379	27 861
Liabilities held for sale	127	100	89	884	89
Provisions	1 121	1 172	1 155	1 171	1 133
Pension commitments	5 941	6 006	5 330	4 543	4 343
Subordinated loan capital	29 542	29 319	26 668	26 981	26 100
Total liabilities	**2 615 450**	**2 490 619**	**2 270 320**	**2 298 245**	**2 336 481**
Share capital	16 285	16 273	16 288	16 288	16 263
Share premium	22 609	22 609	22 609	22 609	22 609
Additional Tier 1 capital	8 068				
Other equity	127 467	119 841	113 684	108 557	107 745
Total equity	**174 429**	**158 723**	**152 581**	**147 454**	**146 617**
Total liabilities and equity	**2 789 880**	**2 649 341**	**2 422 901**	**2 445 699**	**2 483 098**

Due to changes in principles, some comparative figures have been restated. See further details in Accounting principles in the annual report for 2014.

Information about the DNB Group

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Board of Directors in DNB ASA

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Tore Olaf Rimmereid, vice-chairman
Jarle Bergo
Sverre Finstad
Carl A. Løvvik
Vigdis Mathisen
Jaan Ivar Semlitsch
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
Terje Turnes	Group executive vice president Risk Management
Thomas Midteide	Group executive vice president Corporate Communications

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Financial calendar 2015

Preliminary results 2014 and fourth quarter 2014	5 February
Annual General Meeting	23 April
Ex-dividend date	24 April
Distribution of dividends	as of 7 May
First quarter 2015	30 April
Second quarter 2015	10 July
Third quarter 2015	22 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.

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WHEN IT MATTERS THE MOST.

DNB

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