

Q1

RESULTS DNB GROUP 1ST QUARTER 2015

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)



First quarter 2015

Pre-tax operating profit before impairment in NOK billion

9.3 (7.4)

Cost/income ratio in per cent

37.0 (41.3)

Return on equity in per cent

16.1 (15.4)

Earnings per share

4.01 (3.37)

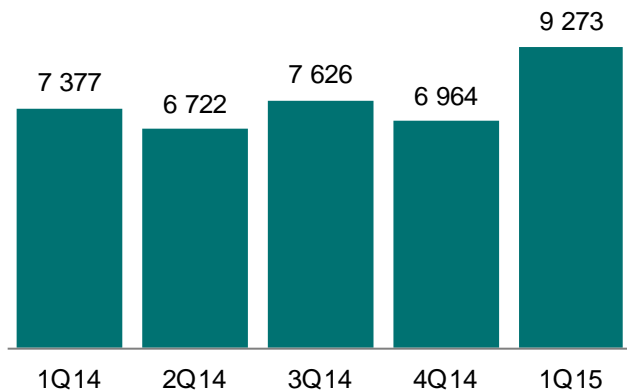
Common equity Tier 1 capital ratio in per cent (transitional rules)

12.7 (11.9)

Profit figures

Pre-tax operating profit before impairment

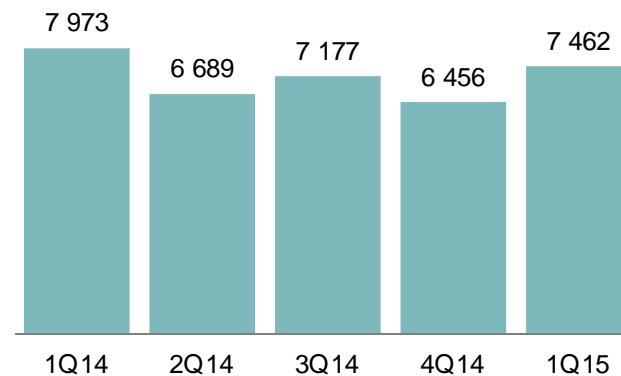
NOK million



Pre-tax operating profit before impairment

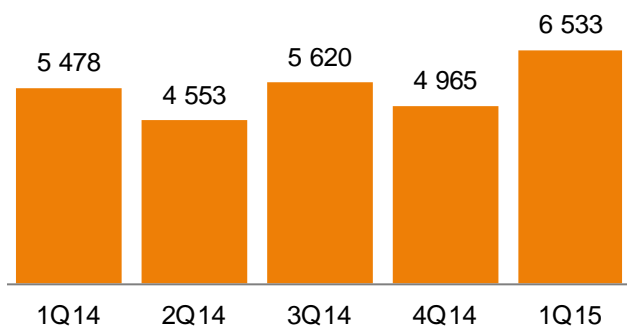
excl. basis swaps

NOK million



Profit for the period

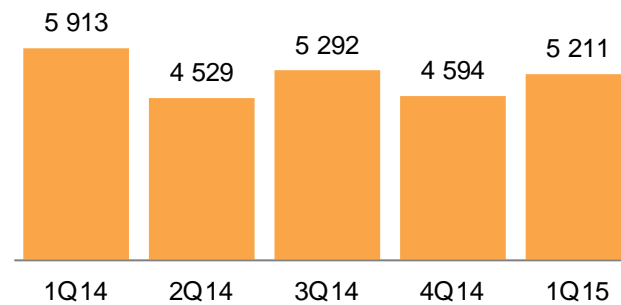
NOK million



Profit for the period

excl. basis swaps

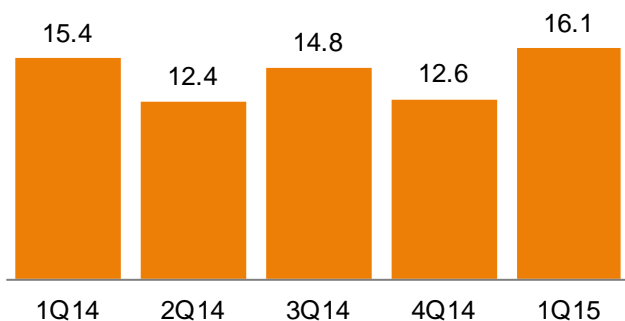
NOK million



Return on equity and cost/income ratio

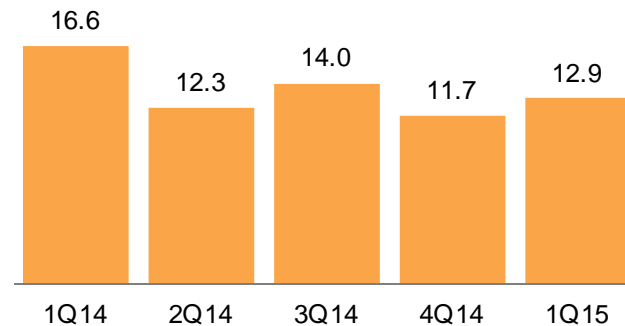
Return on equity ¹⁾

Per cent



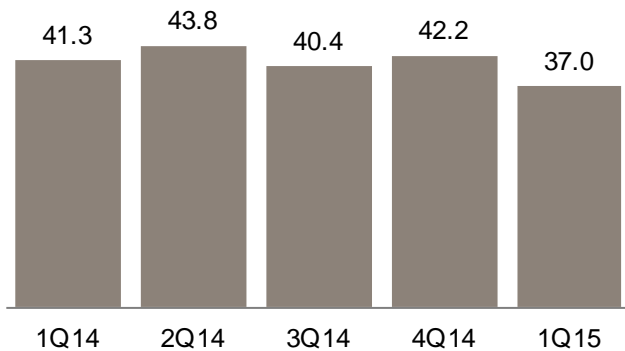
Return on equity excl. basis swaps ¹⁾

Per cent



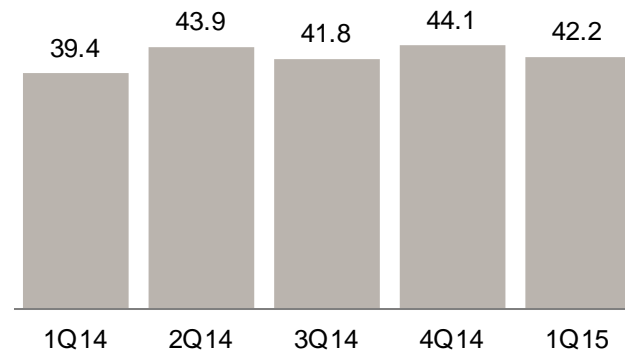
Cost/income ratio

Per cent



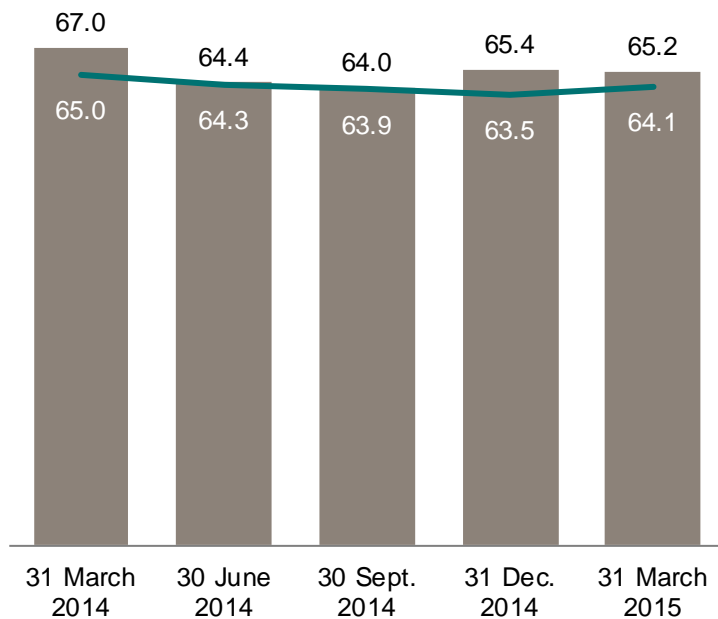
Cost/income ratio excl. basis swaps

Per cent

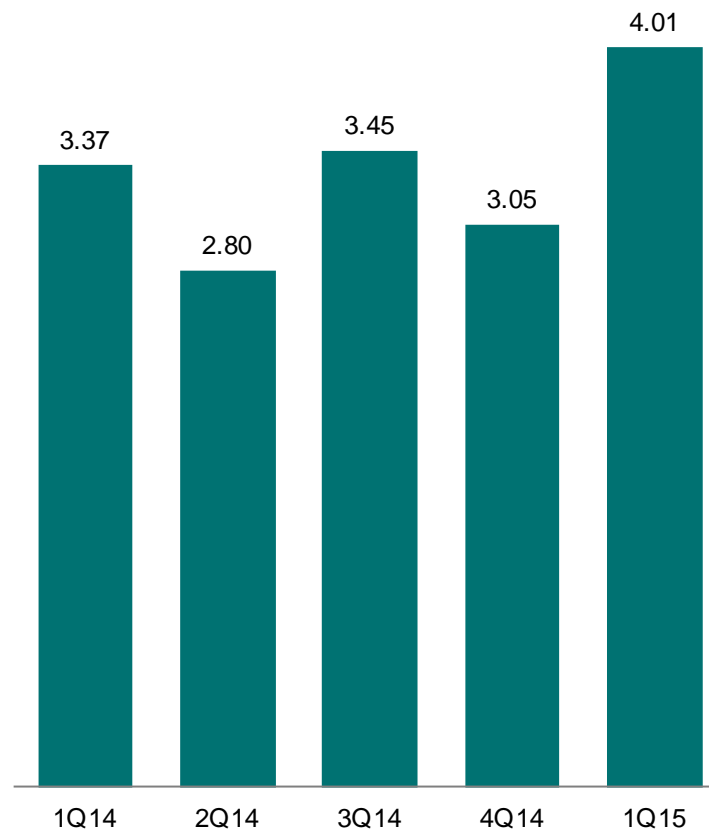


Ratio of deposits to net loans and earnings per share

Ratio of deposits to net loans
Per cent



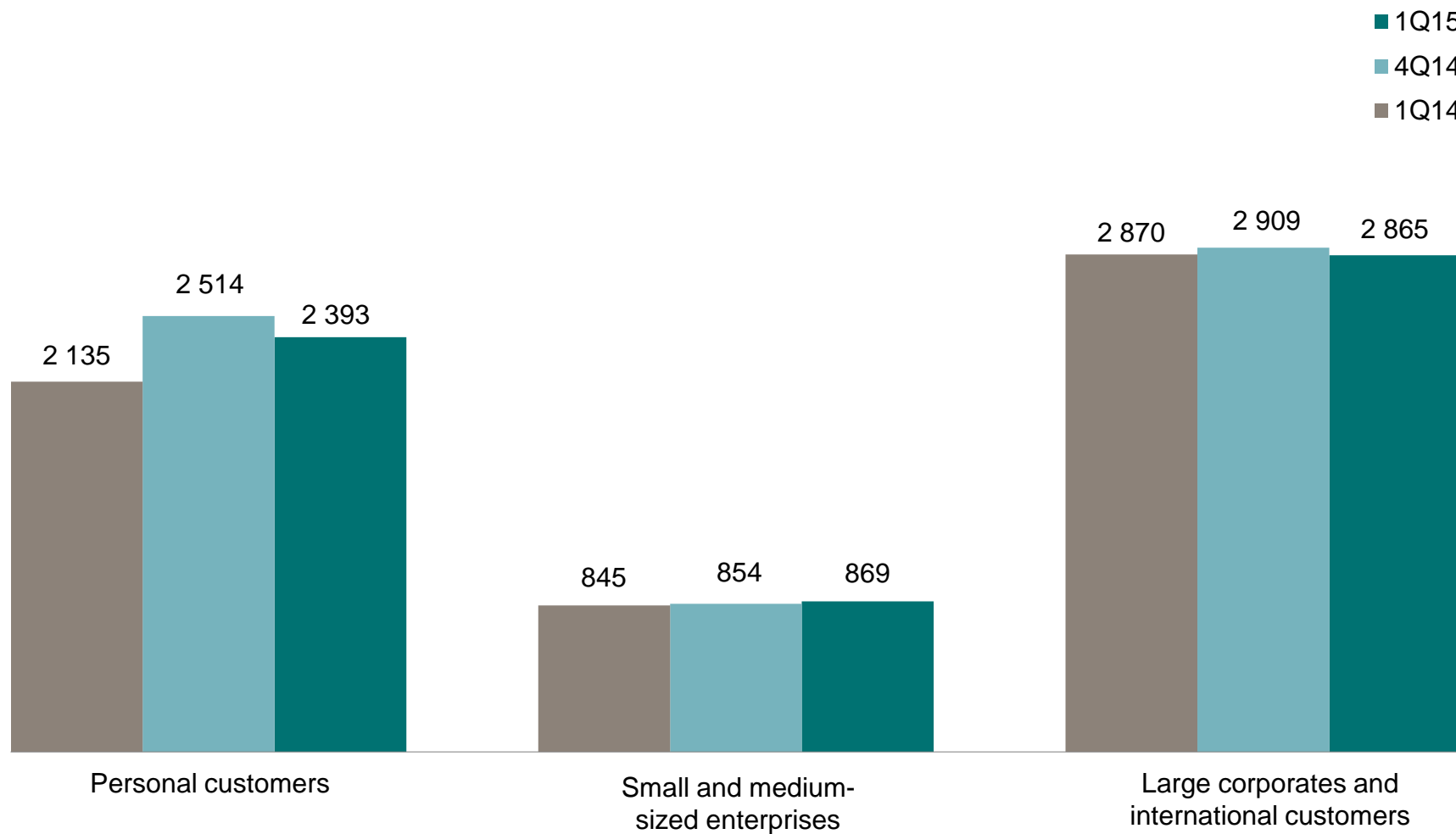
Earnings per share
NOK



Customer segments

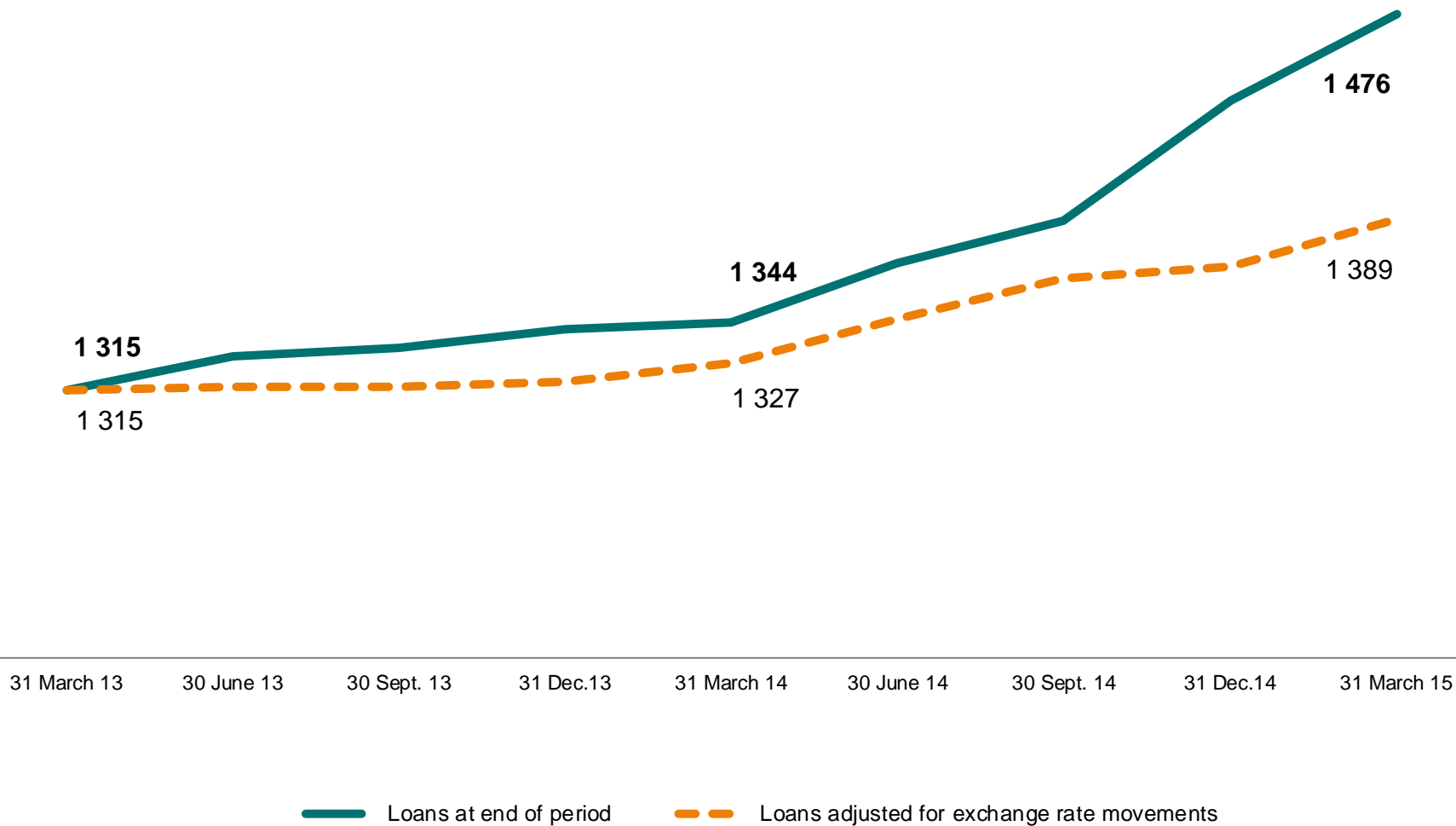
NOK million

Pre-tax operating profit after impairment



Development in loans

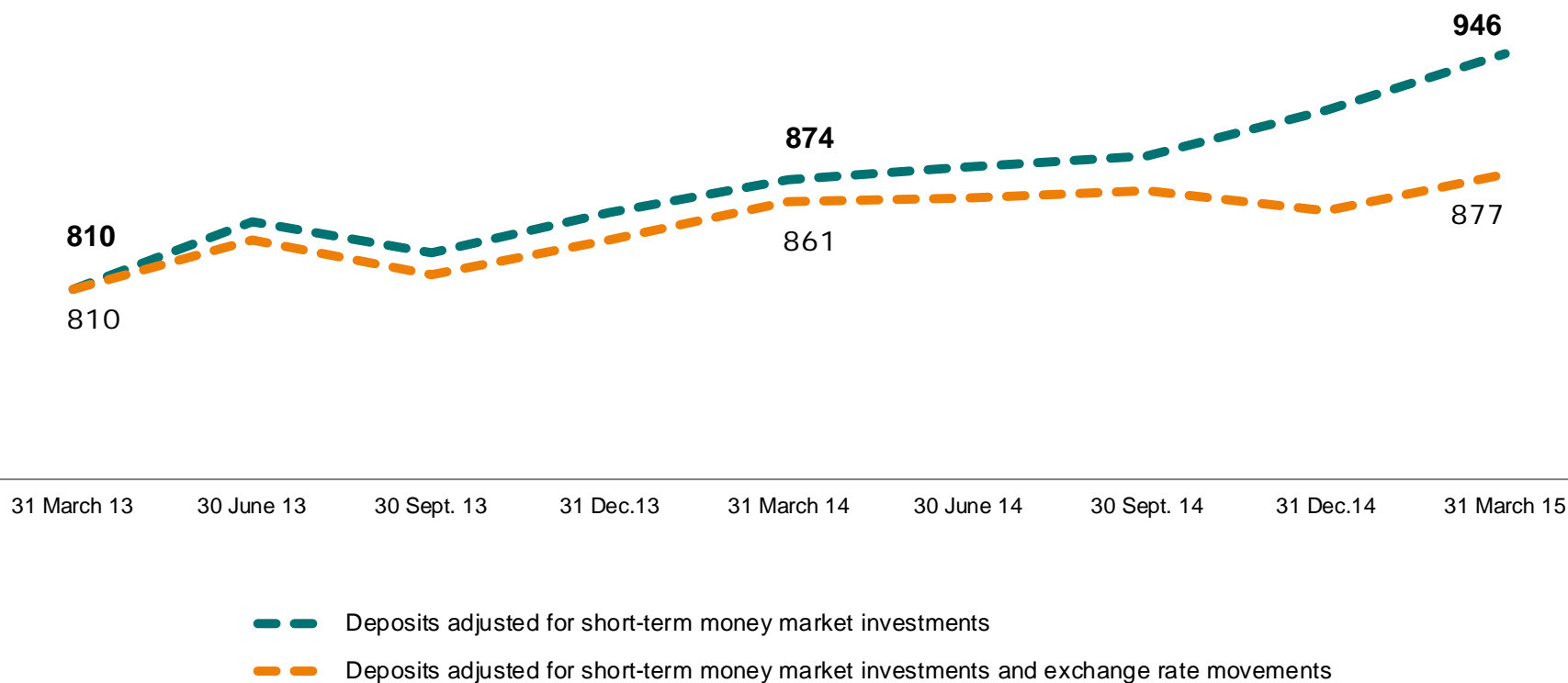
NOK billion



Development in deposits

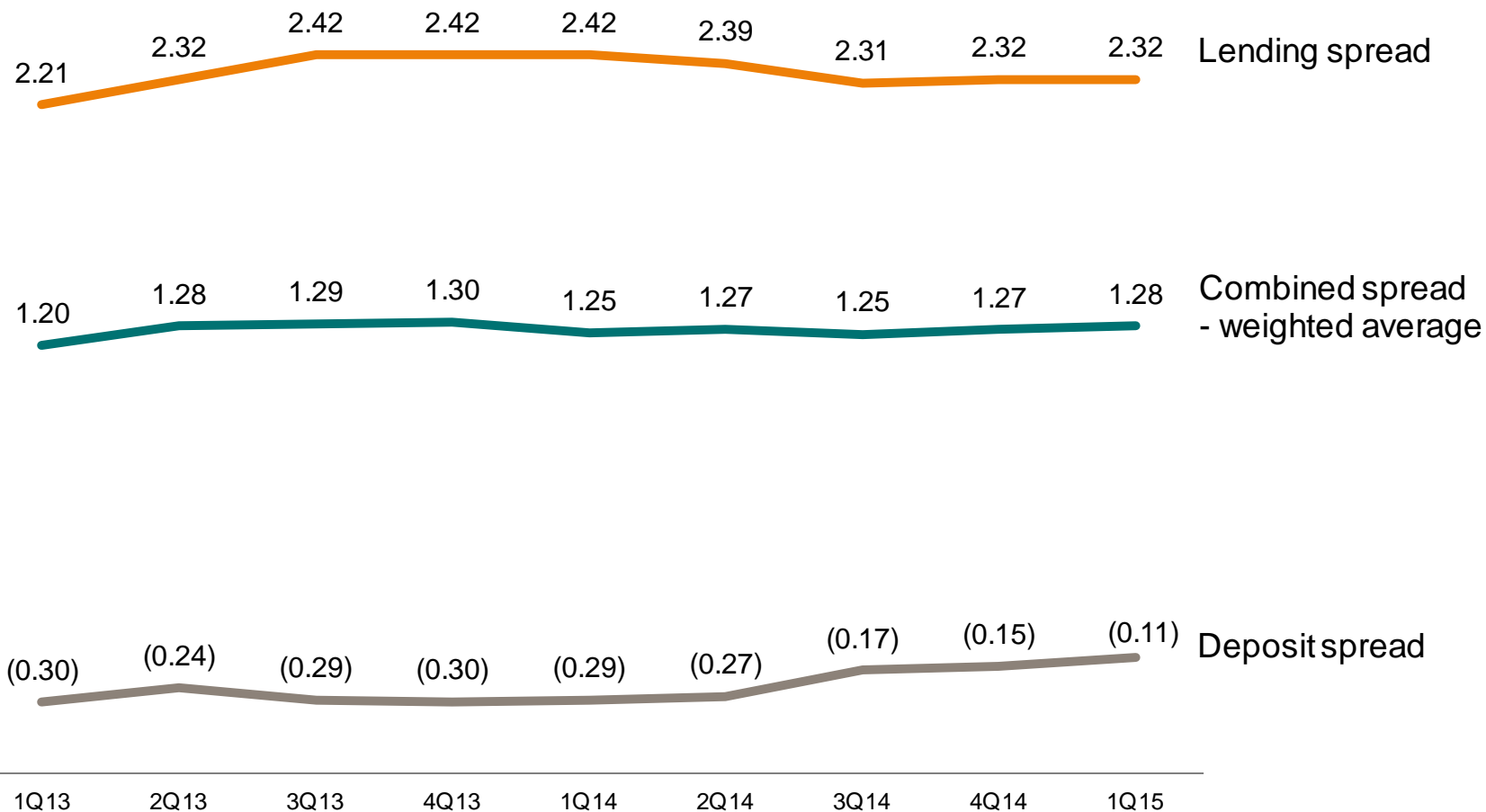
– adjusted for short-term money market investments

NOK billion



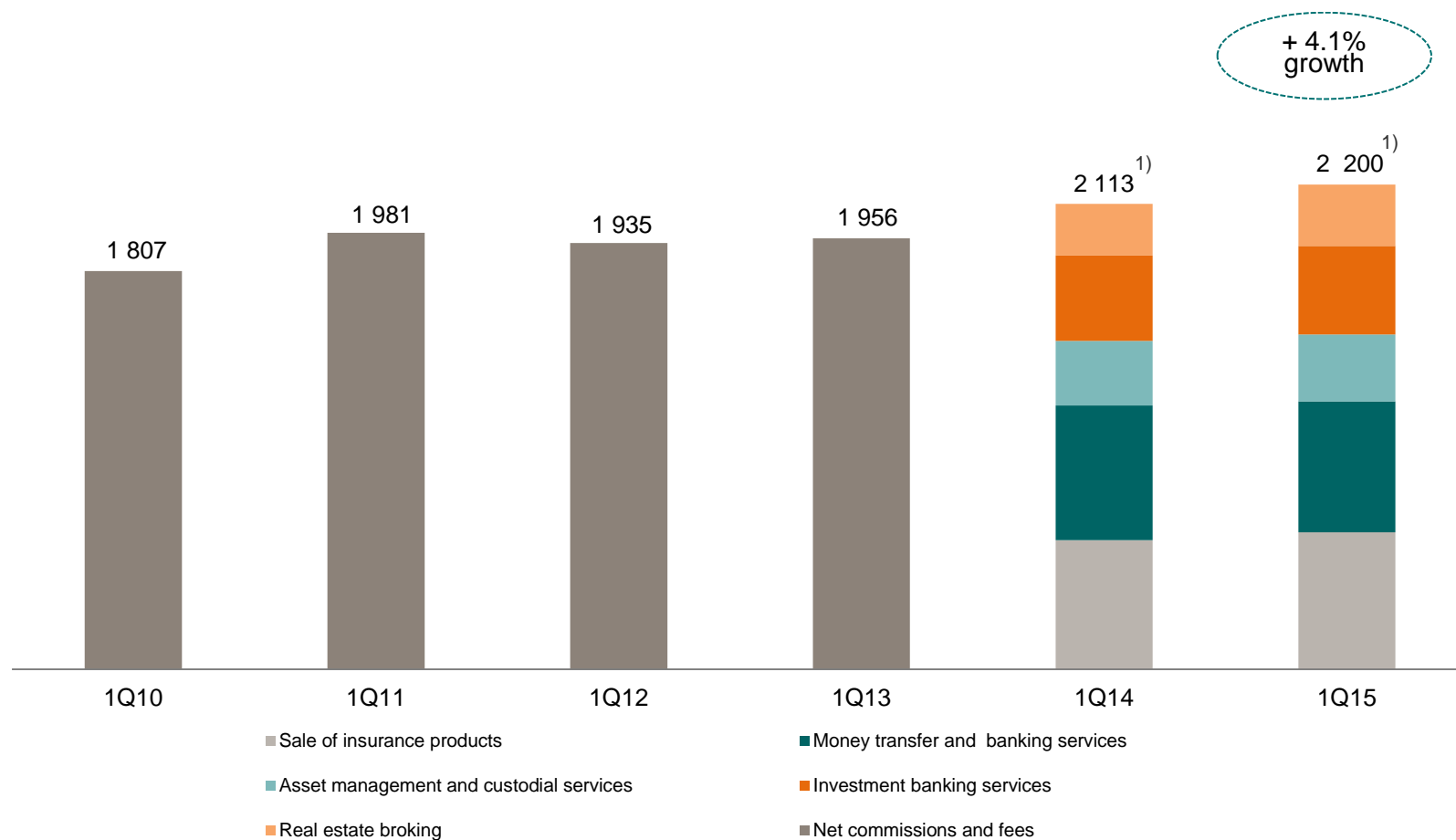
Development in average interest rate spreads

Per cent



Development in commissions and fees

NOK million



1) The first quarter figures in 2014 and 2015 are adjusted for income from public sector activities within life insurance that are in the process of being wound up.

Income statement

Amounts in NOK million						Full year
	1Q15	4Q14	3Q14	2Q14	1Q14	2014
Net interest income	8 587	8 700	8 228	7 867	7 691	32 487
<i>Net commissions and fees</i>	2 212	2 313	2 229	2 242	2 185	8 969
<i>Net gains on financial instruments at fair value</i>	3 400	279	1 817	1 132	2 089	5 317
<i>Net financial and risk result, DNB Livsforsikring</i>	52	185	136	183	105	609
<i>Net insurance result, DNB Skadeforsikring</i>	99	129	121	139	102	491
<i>Other operating income</i>	361	446	256	391	397	1 490
Net other operating income, total	6 124	3 352	4 560	4 087	4 877	16 877
Total income	14 711	12 052	12 788	11 954	12 569	49 363
Operating expenses	5 215	5 045	5 088	5 150	5 168	20 452
Restructuring costs and non-recurring effects	223	42	74	83	24	223
Pre-tax operating profit before impairment	9 273	6 964	7 626	6 722	7 377	28 689
Net gains on fixed and intangible assets	12	42	13	(3)	0	52
Impairment of loans and guarantees	575	821	183	554	80	1 639
Pre-tax operating profit	8 710	6 184	7 456	6 165	7 297	27 102
Tax expense	2 130	1 236	1 828	1 600	1 799	6 463
Profit from operations held for sale, after taxes	(47)	16	(8)	(11)	(19)	(22)
Profit for the period	6 533	4 965	5 620	4 553	5 478	20 617
Profit attributable to shareholders	6 519	4 965	5 620	4 553	5 478	20 617

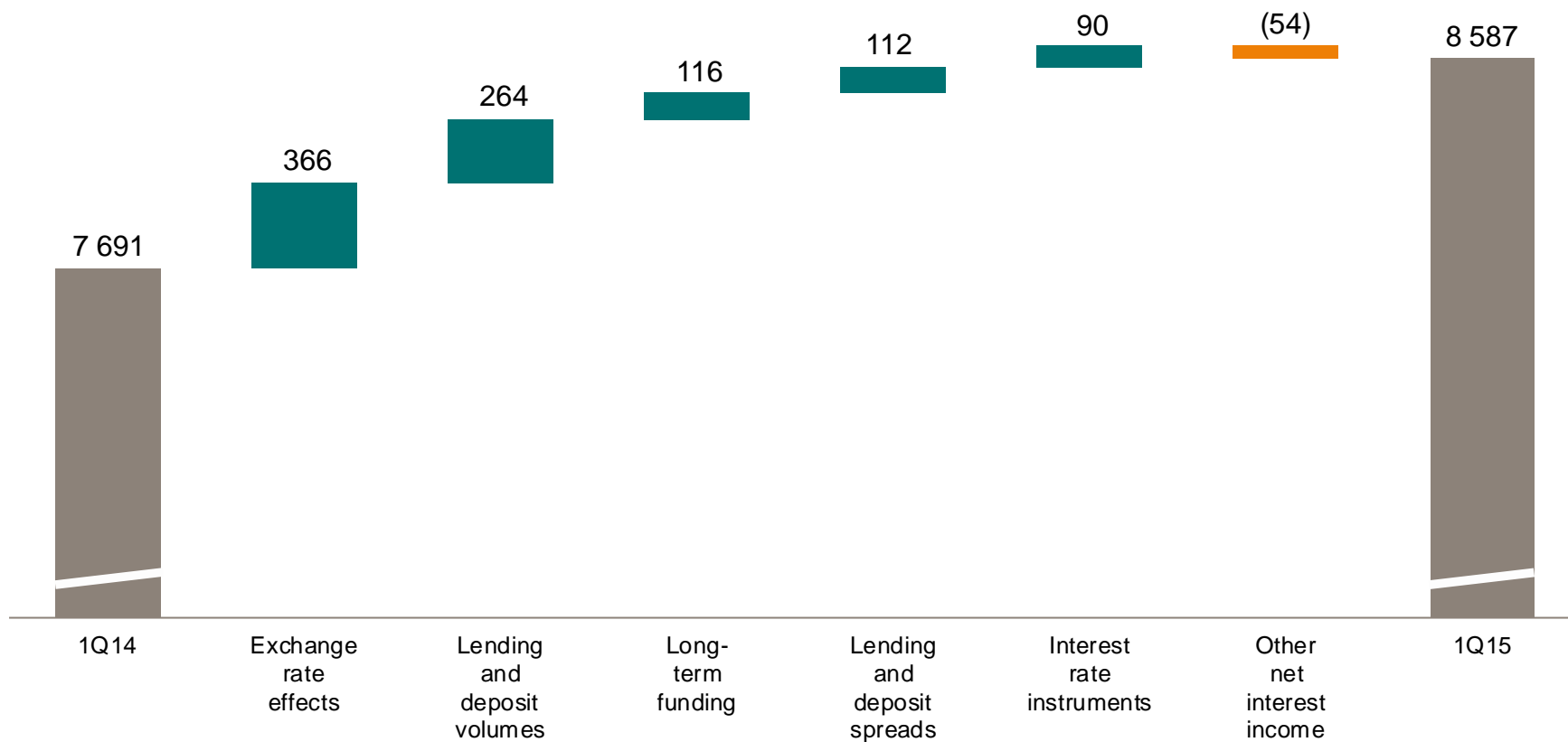
Net gains on financial instruments

Amounts in NOK million	1Q15	4Q14	1Q14	Change	1Q14 -
				4Q14 -	1Q15
Customer revenues in DNB Markets	622	549	459	73	163
Trading in foreign exchange/fixed income/equities in DNB Markets	468	94	590	374	(123)
Changes in credit spreads on bonds in DNB Markets	140	(196)	148	336	(8)
Adjustments in valuation models with effects on the balance sheet and income statement	-	(242)	291	242	(291)
The bank's own equity investments	(193)	(146)	1	(47)	(195)
Exchange rate effects, additional Tier 1 capital	170	-	-	170	170
Other mark-to-market adjustments (incl. CVA/DVA)	384	(287)	282	671	102
Net gains on financial instruments at fair value, excl. basis swaps	1 590	(229)	1 772	1 819	(182)
Basis swaps	1 810	508	(596)	1 302	2 406
Valuation of the investment in Nets	-	-	913	-	(913)
Net gains on financial instruments at fair value	3 400	279	2 089	3 121	1 311

Changes in net interest income

NOK million

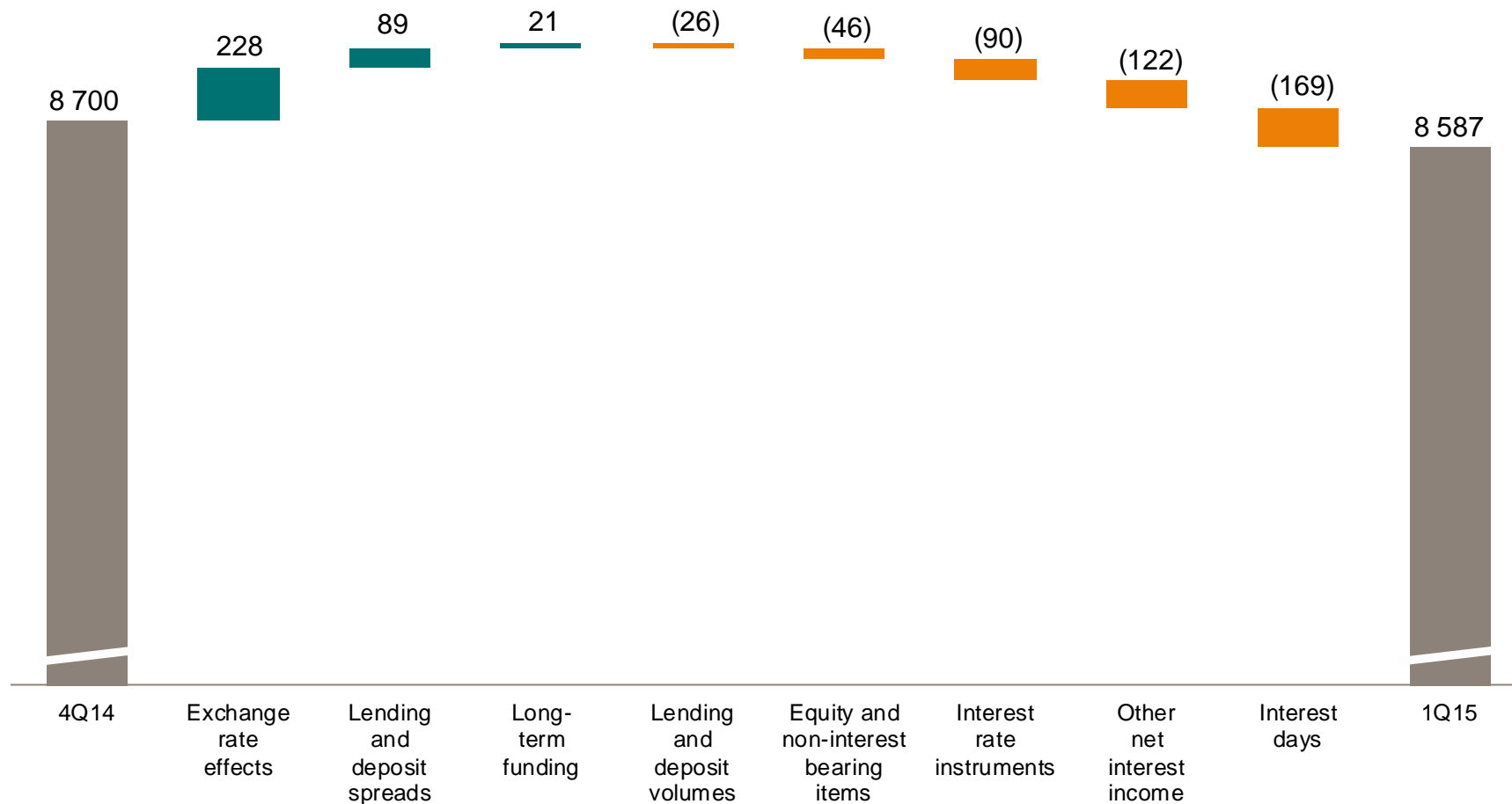
From 1st quarter 2014 to 1st quarter 2015



Changes in net interest income

NOK million

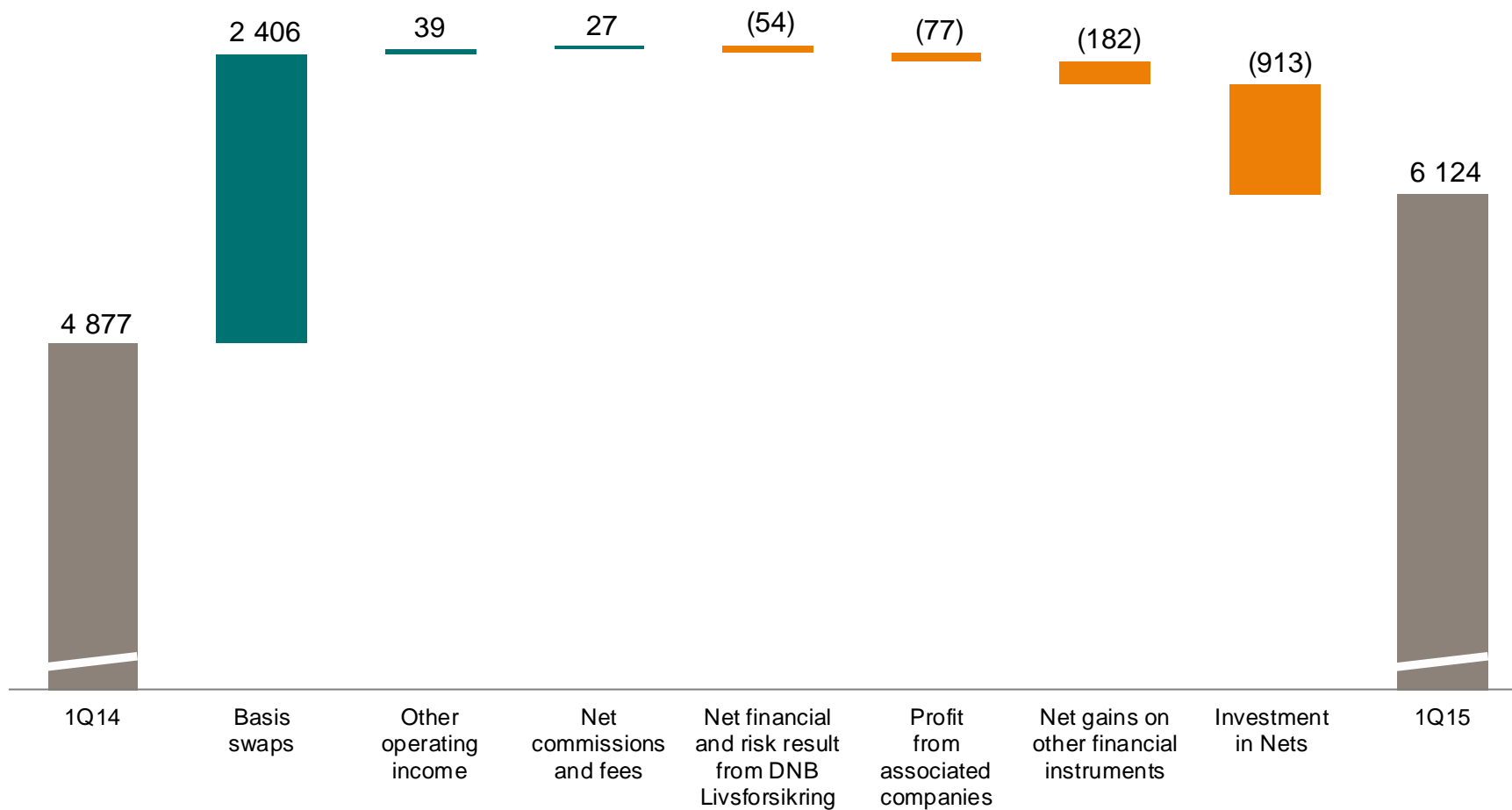
From 4th quarter 2014 to 1st quarter 2015



Changes in net other operating income

NOK million

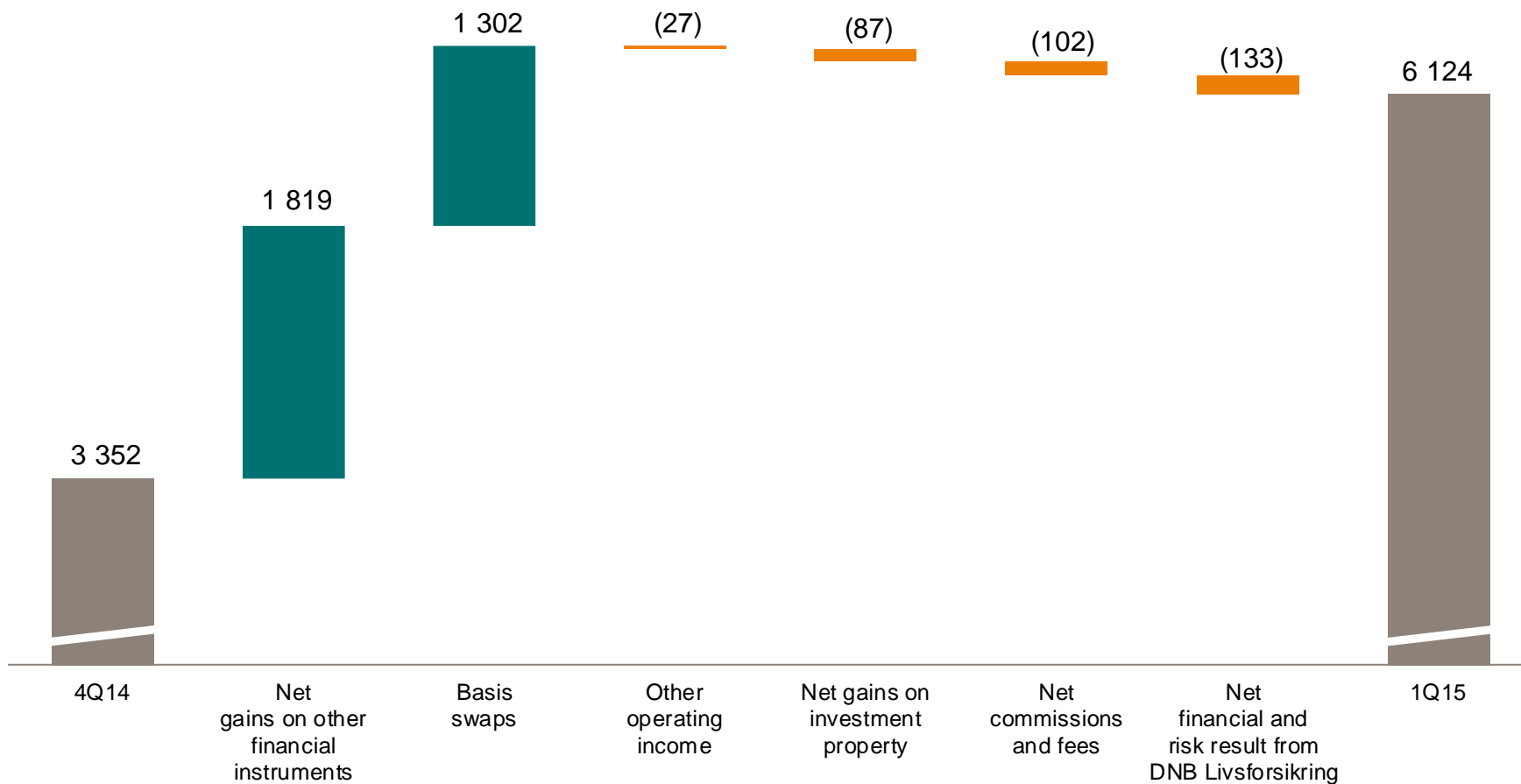
From 1st quarter 2014 to 1st quarter 2015



Changes in net other operating income

NOK million

From 4th quarter 2014 to 1st quarter 2015



Changes in operating expenses

Amounts in NOK million	1Q15	Change	1Q14	Change in per cent
Total adjusted operating expenses	5 215	47	5 168	0.9
<i>Of which :</i>				
<i>Exchange rate effects for units outside Norway</i>		83		
<i>Currency-adjusted operating expenses</i>	<i>5 132</i>	<i>(36)</i>	<i>5 168</i>	<i>(0.7)</i>
Total adjusted operating expenses	5 215	47	5 168	
Income-related costs				
Ordinary depreciation on operational leasing		17		
Expenses directly related to operations				
Fees		33		
Pension expenses		21		
Properties and premises		(61)		
Other costs		37		
Non-recurring effects	223	199	24	
Restructuring costs, employees	50	5	46	
Other restructuring costs and non-recurring effects	64	87	(22)	
IT restructuring	108	108	0	
Operating expenses	5 438	246	5 192	4.7

Changes in operating expenses

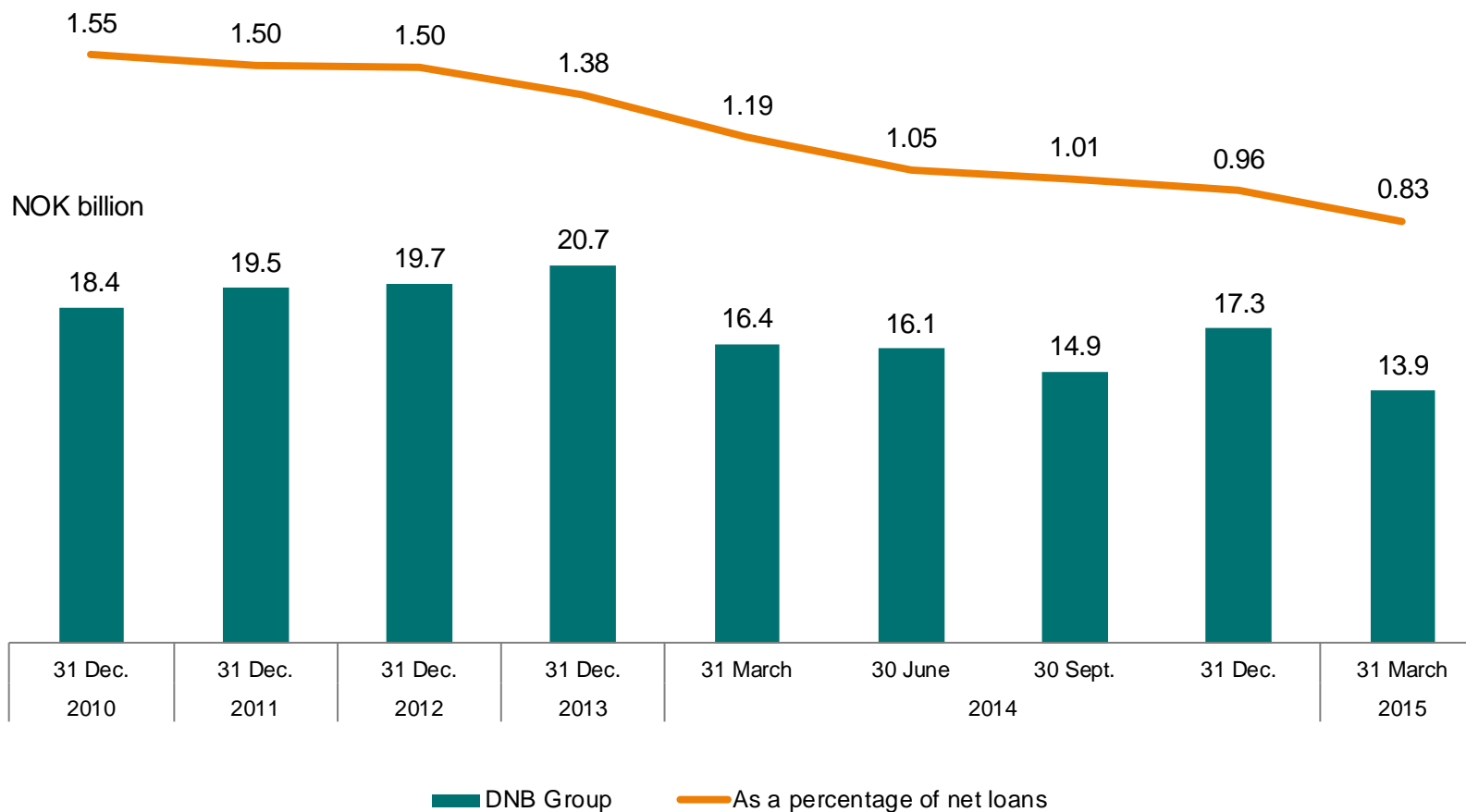
Amounts in NOK million	1Q15	Change	4Q14	Change in per cent
Total adjusted operating expenses	5 215	170	5 045	3.4
<i>Of which :</i>				
<i>Exchange rate effects for units outside Norway</i>		43		
<i>Currency-adjusted operating expenses</i>	5 172	127	5 045	2.5
Total adjusted operating expenses	5 215	170	5 045	
Income-related costs				
Customer paid marketing, DNB Eiendom		31		
Expenses directly related to operations				
Pension expenses		72		
IT expenses		39		
Performance-based pay		36		
Other costs		(8)		
Non-recurring effects	223	181	42	
Restructuring costs, employees	50	(36)	86	
Other restructuring costs and non-recurring effects	64	104	(40)	
Reversal of provisions	0	73	(73)	
IT restructuring	108	39	70	
Operating expenses	5 438	350	5 088	6.9

Impairment of loans and guarantees

Amounts in NOK million	1Q15	4Q14	3Q14	2Q14	1Q14	Full year 2014
Personal customers	(34)	(67)	84	53	48	118
- Mortgage loans	(81)	(141)	33	(5)	(16)	(129)
- Consumer finance	46	74	51	58	64	247
Small and medium-sized enterprises	308	450	165	157	65	838
Large corporates and international customers	256	496	18	292	219	1 024
- Nordic Corporates Division	(15)	333	(3)	97	(56)	370
- International Corporates Division	(39)	166	86	(17)	56	291
- Shipping, Offshore and Logistics Division	242	(21)	(116)	152	152	166
- Energy Division	12	5	5	(2)	24	31
- Baltics and Poland	50	1	39	53	31	124
- Other units	7	13	8	9	13	42
Total individual impairment	530	879	267	502	332	1 980
Total collective impairment of loans	44	(58)	(84)	52	(252)	(341)
Impairment of loans and guarantees	575	821	183	554	80	1 639
Total impairment in relation to average volumes (annualised)	0.16	0.23	0.05	0.16	0.02	0.12

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

Per cent



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

Balance sheets

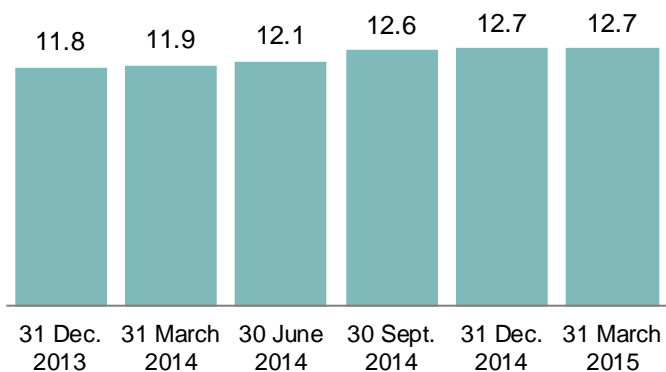
	DNB Group		DNB Bank ASA	
	31 March 2015	31 Dec. 2014	31 March 2015	31 Dec. 2014
Amounts in NOK billion				
Deposits with central banks	305	59	302	54
Due from credit institutions	203	373	457	608
Loans to customers	1 476	1 439	743	723
Other assets	806	779	639	613
Total assets	2 790	2 649	2 141	1 998
Due to credit institutions	263	214	333	269
Deposits from customers	963	942	918	903
Short-term debt securities issued	233	207	233	207
Long-term debt securities issued	620	605	168	160
Other liabilities and provisions	536	523	349	332
Additional Tier 1 capital	8		8	
Other equity	166	159	131	128
Total liabilities and equity	2 790	2 649	2 141	1 998
Ratio of deposits to net loans (%)	65.2	65.4	123.6	124.8
Adjusted ratio of deposits to net loans (%) ¹⁾	64.1	63.5	121.3	121.0
Total combined assets	3 089	2 936	2 141	1 998
Currency-adjusted loans to customers	1 459		731	
Currency-adjusted deposits from customers	950		904	

1) Excluding short-term money market deposits

Common equity Tier 1 capital ratio ¹⁾

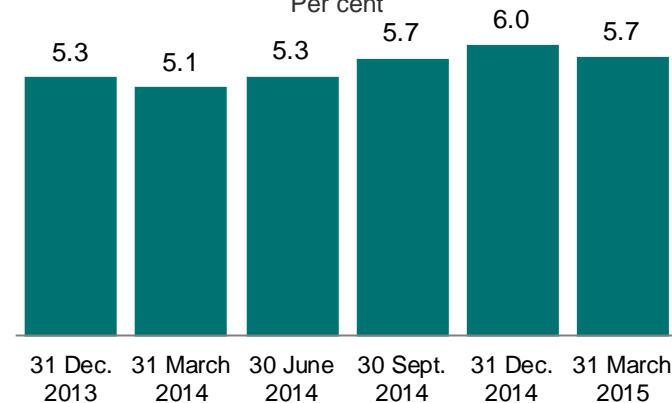
Transitional rules

Per cent



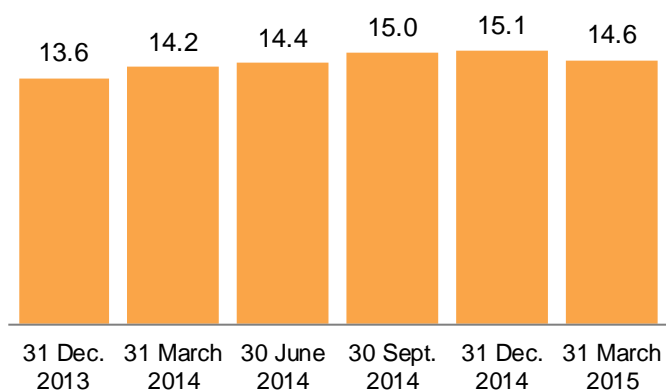
Leverage ratio

Per cent



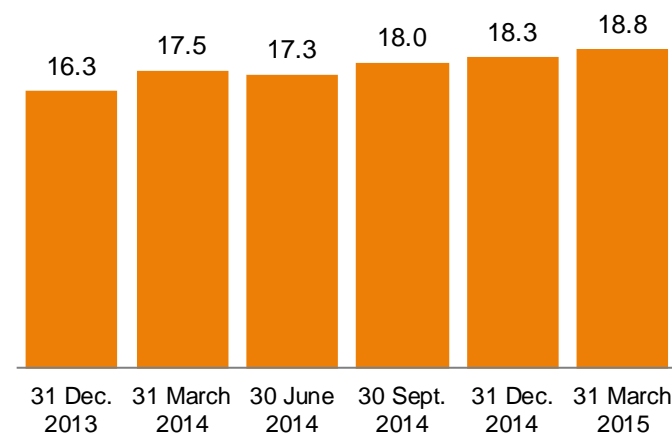
Future Basel III estimate

Per cent



Estimate applying average weights used by Swedish banks ²⁾

Per cent



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

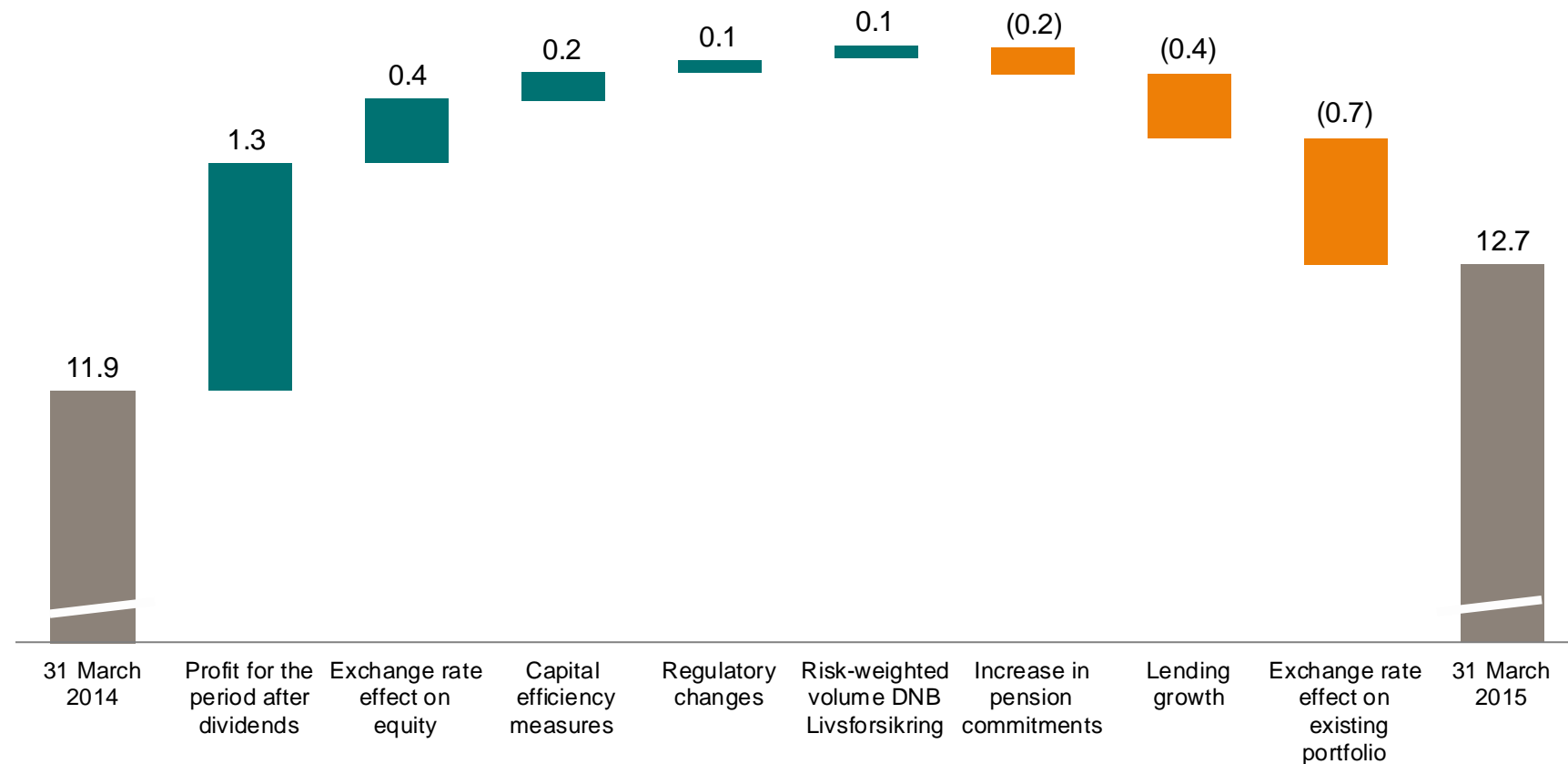
Annual figures are exclusive of dividend payments.

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

Changes in the common equity Tier 1 capital ratio

Per cent

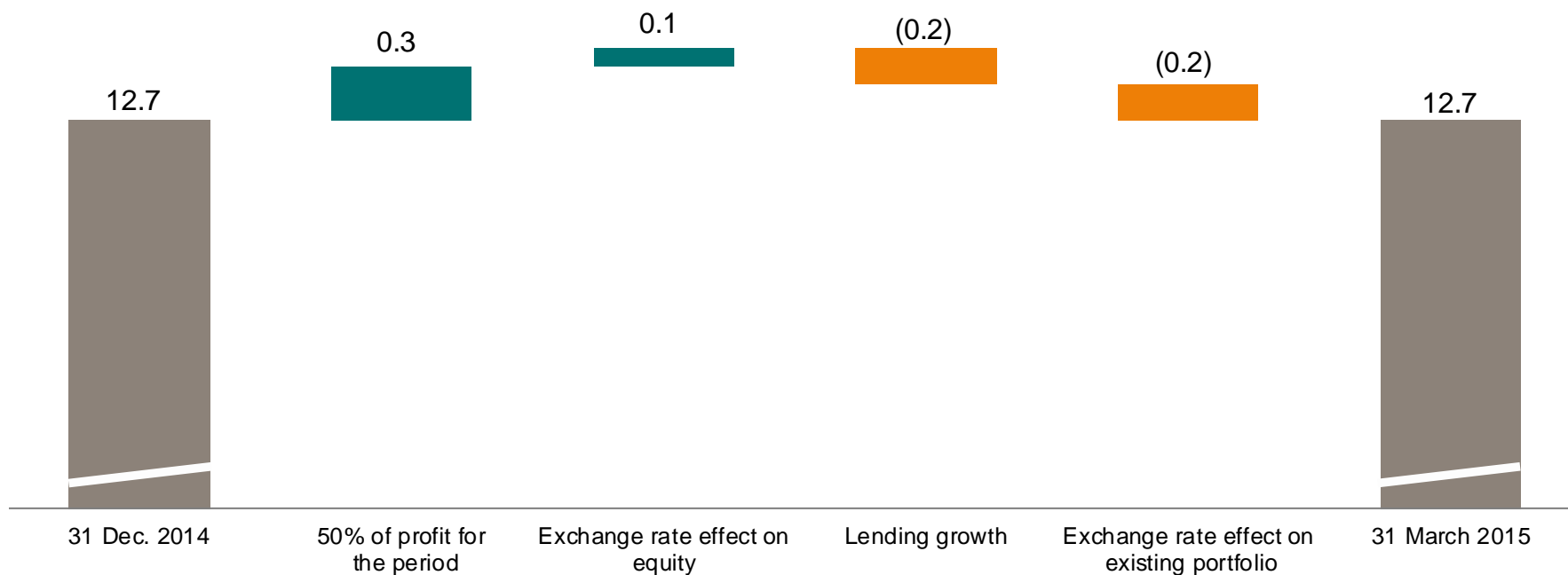
From 31 March 2014 to 31 March 2015



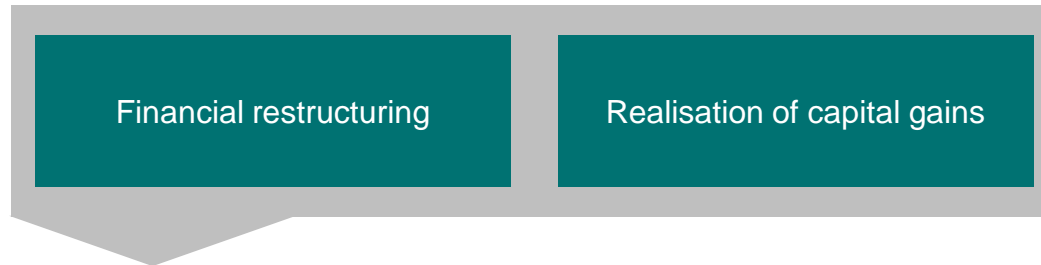
Changes in the common equity Tier 1 capital ratio

Per cent

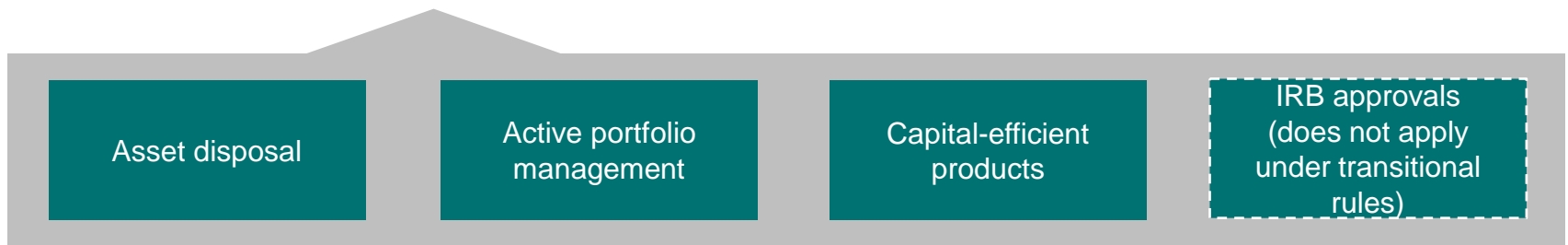
From 31 December 2014 to 31 March 2015



The minimum 14% common equity Tier 1 capital target by year-end 2016 remains firm



$$\frac{\text{CET 1}}{\text{RWA}} = \text{CET 1 ratio}$$



The Group's financial ambitions stay firm

Build up of adequate common equity Tier 1 capital through dynamic management of balance sheet items

Stable volume-weighted spreads

Commissions and fees – underlying growth of 5 per cent

Flat nominal costs throughout 2015 (excluding restructuring costs and exchange rate effects)

Impairment expected to stay below normalised levels ¹⁾ in 2015 – no noticeable effects from oil and gas thus far

Financial ambitions 2016 and 2017

Return on equity

> 12 per cent



Min. 14% CET1 ratio ¹⁾

as capital level

> 50% dividend

when capital level is reached

Q1

HERE FOR YOU.
EVERY DAY.
WHEN IT MATTERS
THE MOST.

