

Q2

RESULTS DNB GROUP SECOND QUARTER AND FIRST HALF 2015

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Bjørn Erik Næss (CFO)

10.07.2015



Second quarter 2015

Pre-tax operating profit before impairment in NOK billion

7.4 (6.7)

Cost/income ratio in per cent

42.8 (43.8)

Return on equity in per cent

12.1 (12.4)

Earnings per share in NOK

3.04 (2.80)

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

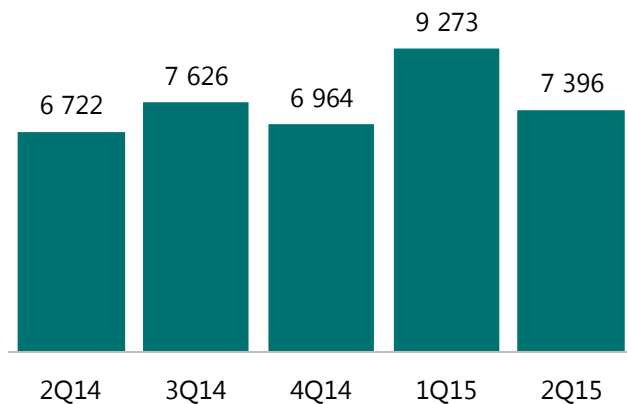
13.0 (12.1)

Figures in parentheses refer to 2Q14

Profit figures

Pre-tax operating profit before impairment

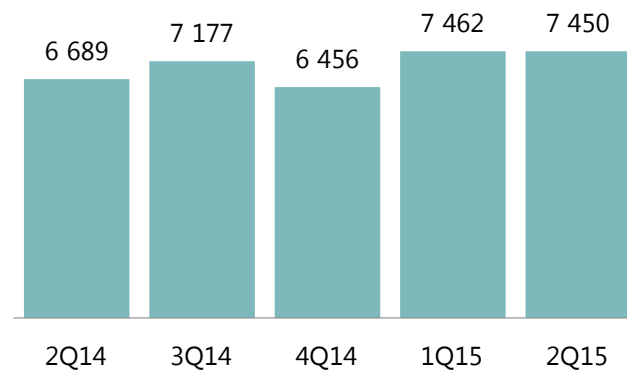
NOK million



Pre-tax operating profit before impairment

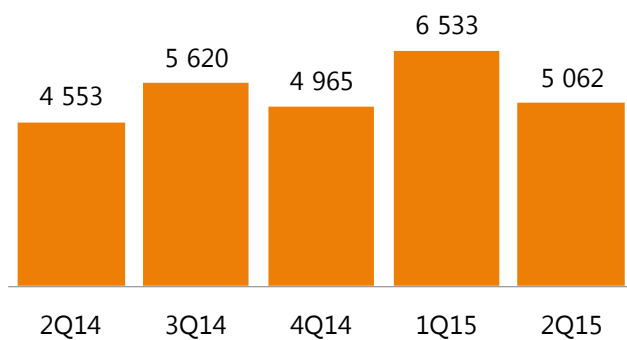
excl. basis swaps

NOK million



Profit for the period

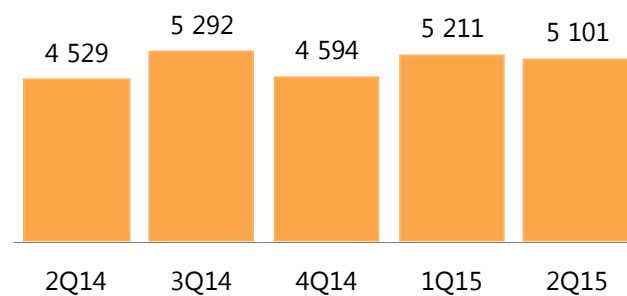
NOK million



Profit for the period

excl. basis swaps

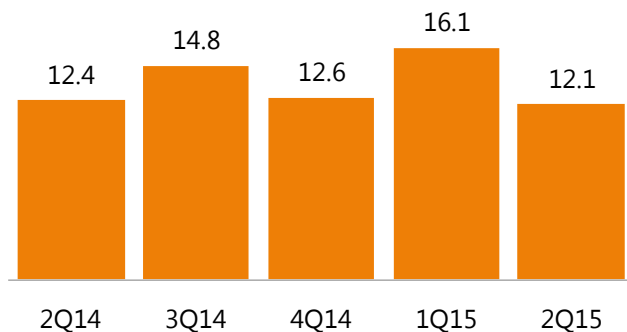
NOK million



Return on equity and cost/income ratio

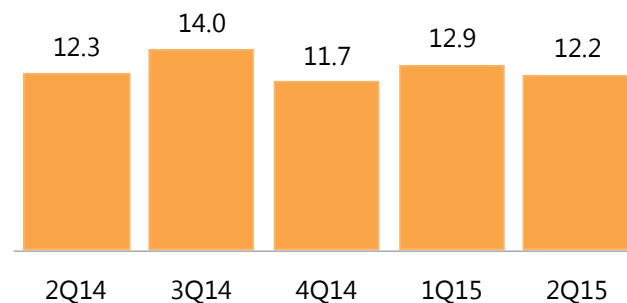
Return on equity ¹⁾

Per cent



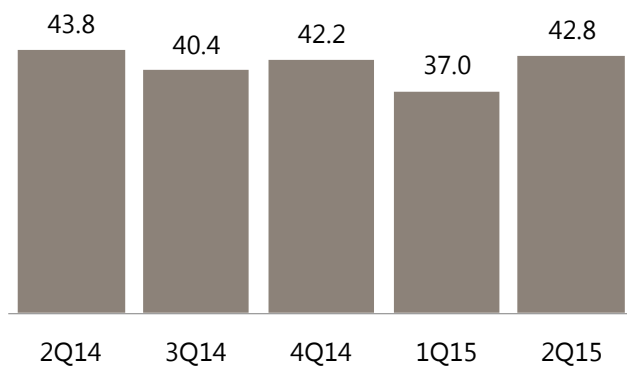
Return on equity excl. basis swaps ¹⁾

Per cent



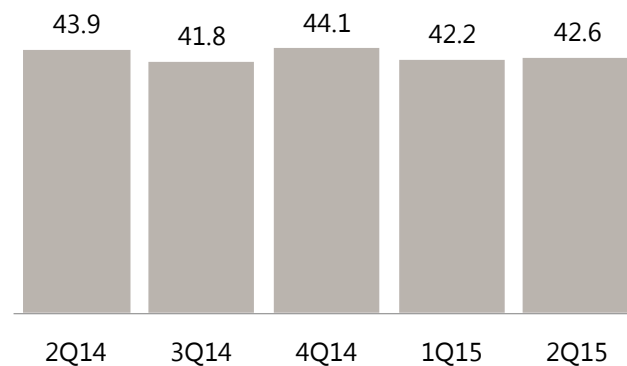
Cost/income ratio

Per cent



Cost/income ratio excl. basis swaps

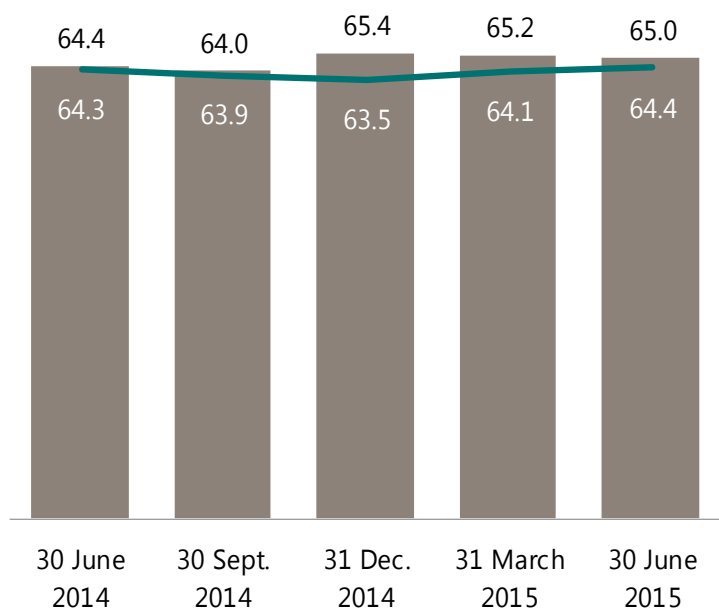
Per cent



Ratio of deposits to net loans and earnings per share

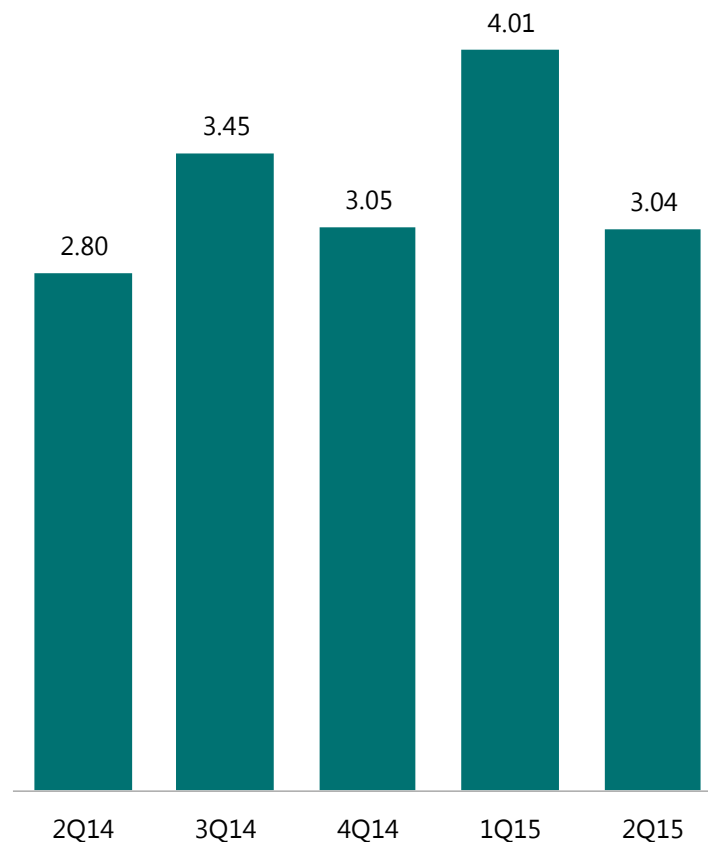
Ratio of deposits to net loans

Per cent



Earnings per share

NOK



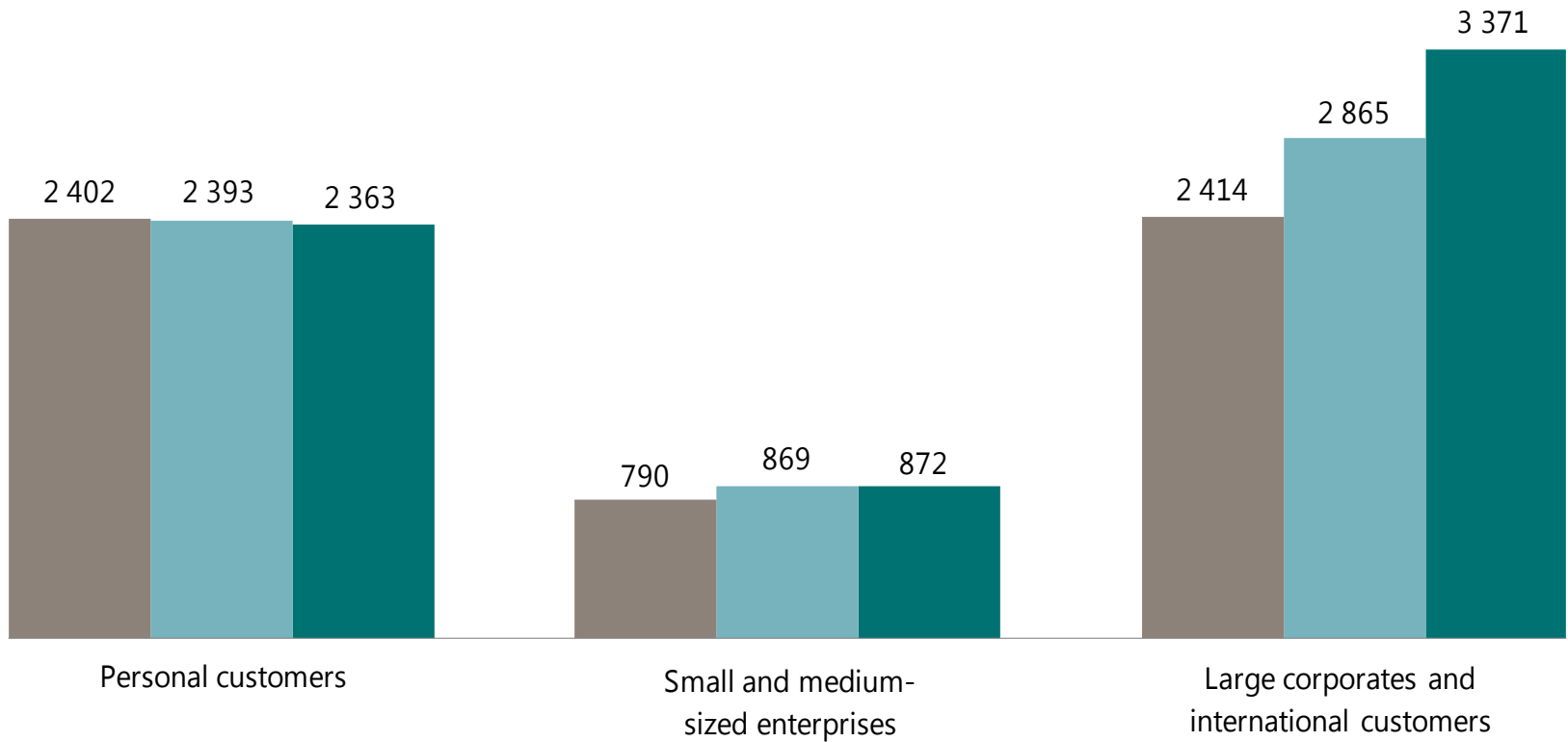
— The ratio of deposits to net loans excl. short-term money market investments

Customer segments

NOK million

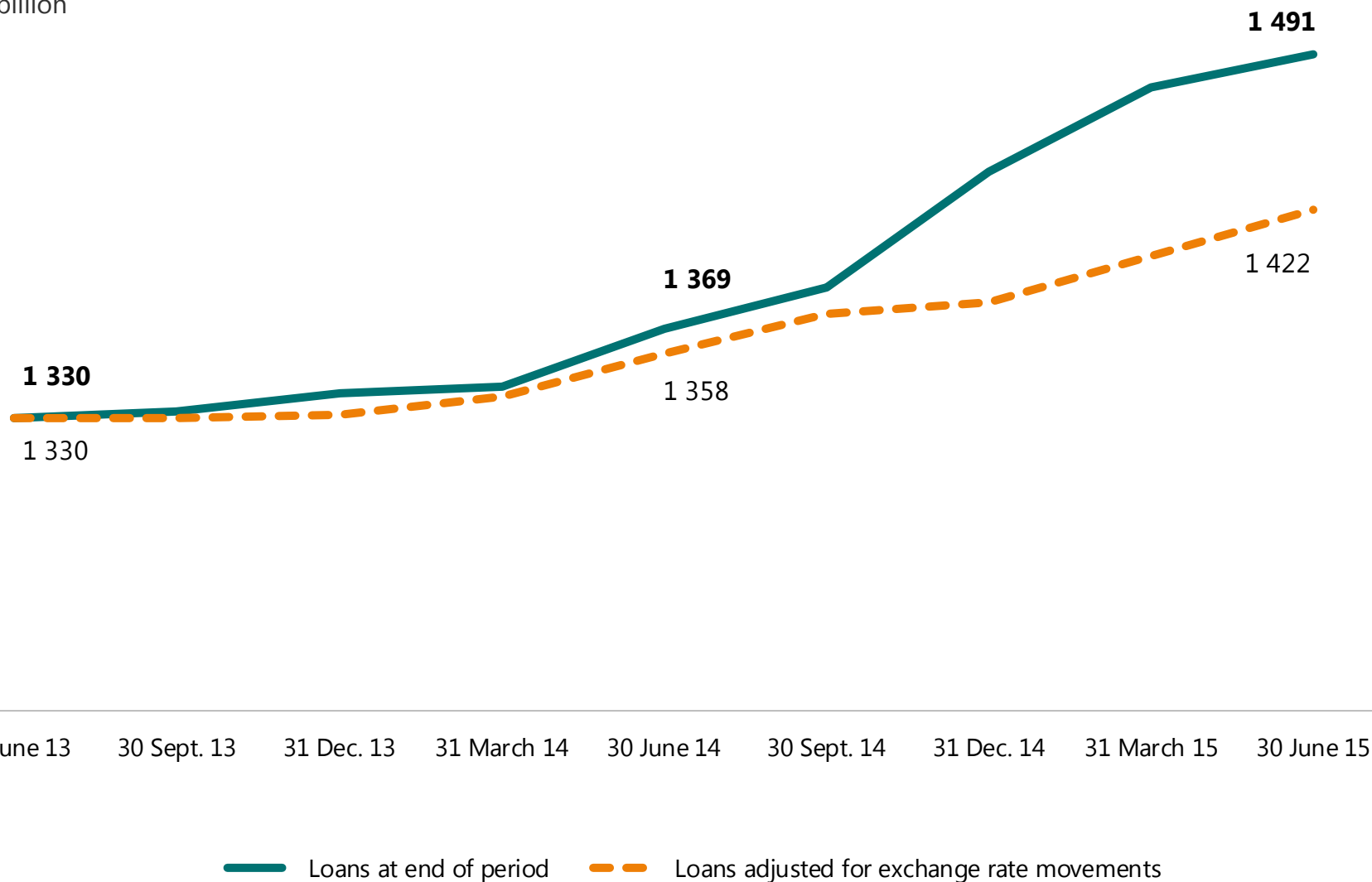
Pre-tax operating profit after impairment

■ 2Q15
■ 1Q15
■ 2Q14



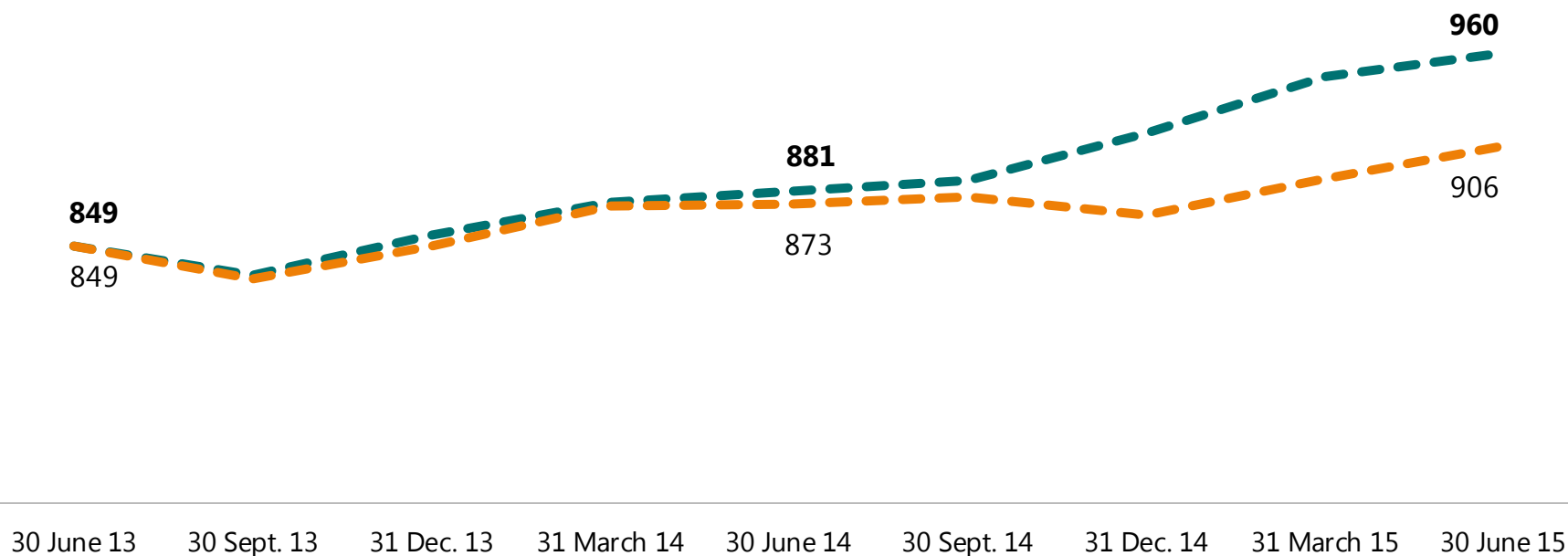
Development in loans

NOK billion



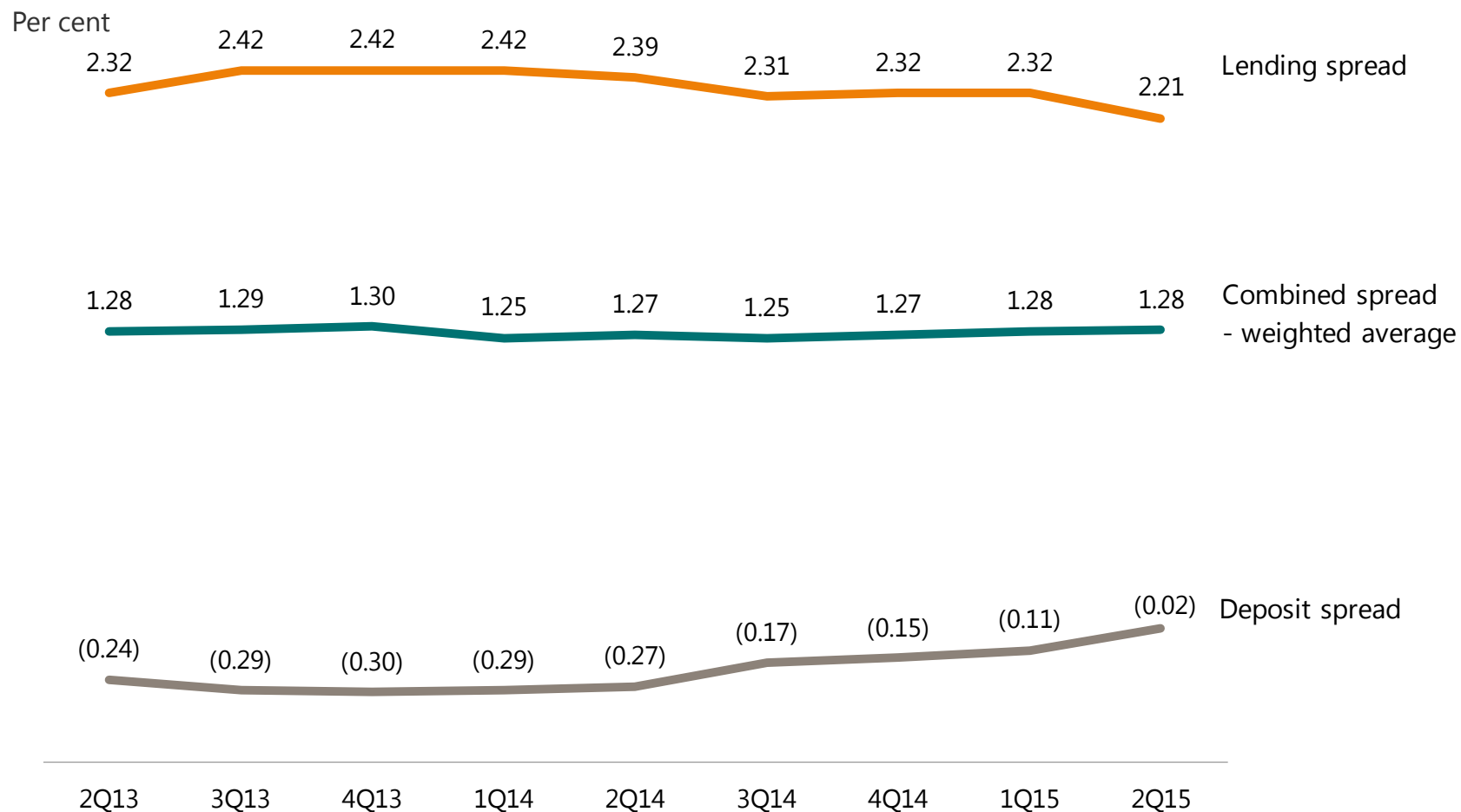
Development in deposits – adjusted for short-term money market investments

NOK billion



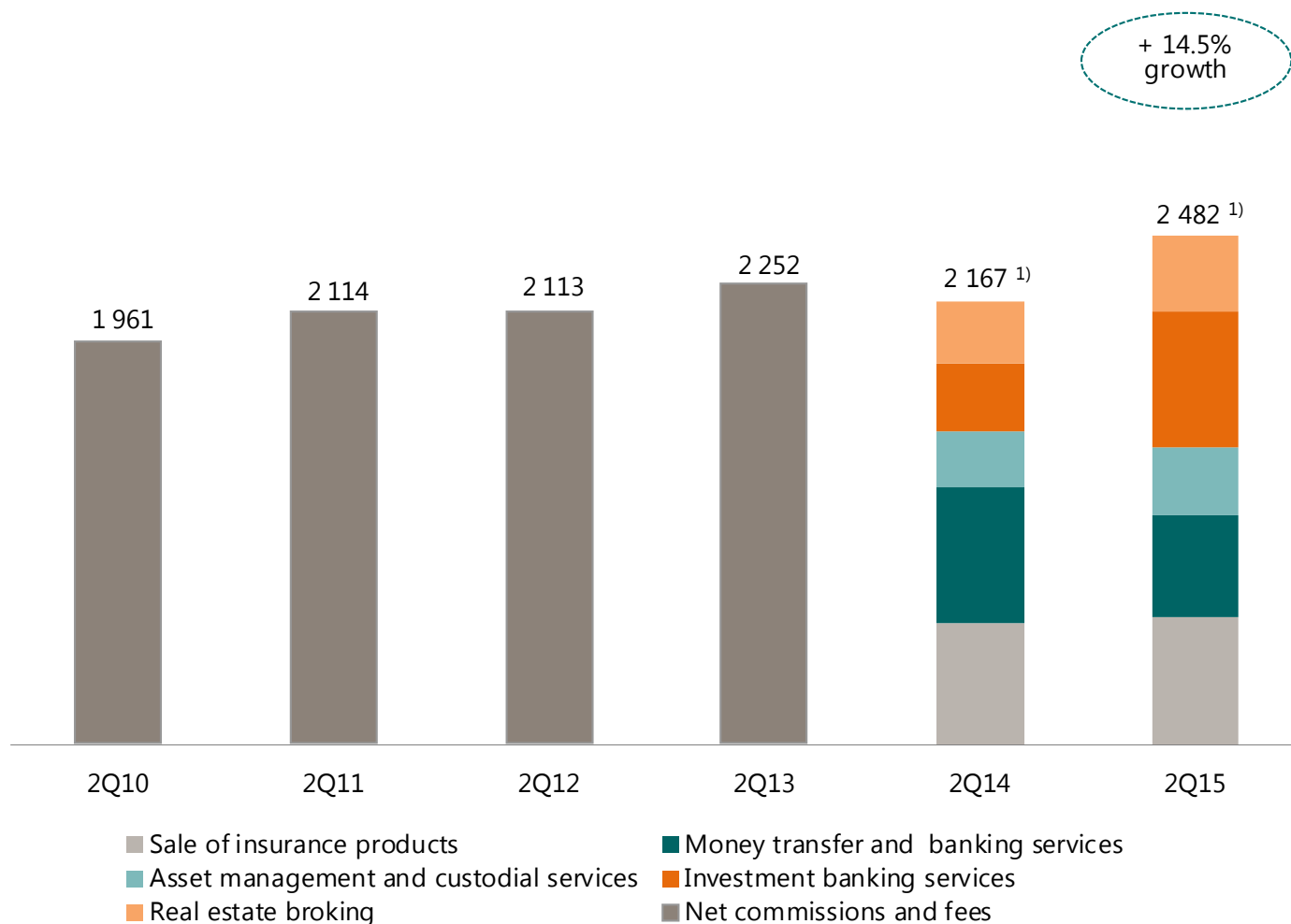
- Deposits adjusted for short-term money market investments
- Deposits adjusted for short-term money market investments and exchange rate movements

Development in average interest rate spreads



Development in commissions and fees

NOK million



1) The figures for 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

						1st half	1st half
Amounts in NOK million	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
Net interest income	8 728	8 587	8 700	8 228	7 867	17 315	15 559
<i>Net commissions and fees</i>	2 489	2 212	2 313	2 229	2 242	4 701	4 426
<i>Net gains on financial instruments at fair value</i>	1 174	3 400	279	1 817	1 132	4 574	3 221
<i>Net financial and risk result, DNB Livsforsikring</i>	158	52	185	136	183	209	288
<i>Net insurance result, DNB Forsikring</i>	153	99	129	121	139	252	241
<i>Other operating income</i>	221	361	446	256	391	582	788
Net other operating income, total	4 194	6 124	3 352	4 560	4 087	10 318	8 965
Total income	12 923	14 711	12 052	12 788	11 954	27 633	24 523
Operating expenses	5 312	5 215	5 045	5 088	5 150	10 527	10 318
Restructuring costs and non-recurring effects	215	223	42	74	83	438	106
Pre-tax operating profit before impairment	7 396	9 273	6 964	7 626	6 722	16 668	14 099
Net gains on fixed and intangible assets	45	12	42	13	(3)	56	(3)
Impairment of loans and guarantees	667	575	821	183	554	1 241	634
Pre-tax operating profit	6 774	8 710	6 184	7 456	6 165	15 483	13 462
Tax expense	1 695	2 130	1 236	1 828	1 600	3 825	3 399
Profit from operations held for sale, after taxes	(17)	(47)	16	(8)	(11)	(64)	(30)
Profit for the period	5 062	6 533	4 965	5 620	4 553	11 594	10 032
Profit attributable to shareholders	4 952	6 519	4 965	5 620	4 553	11 471	10 032

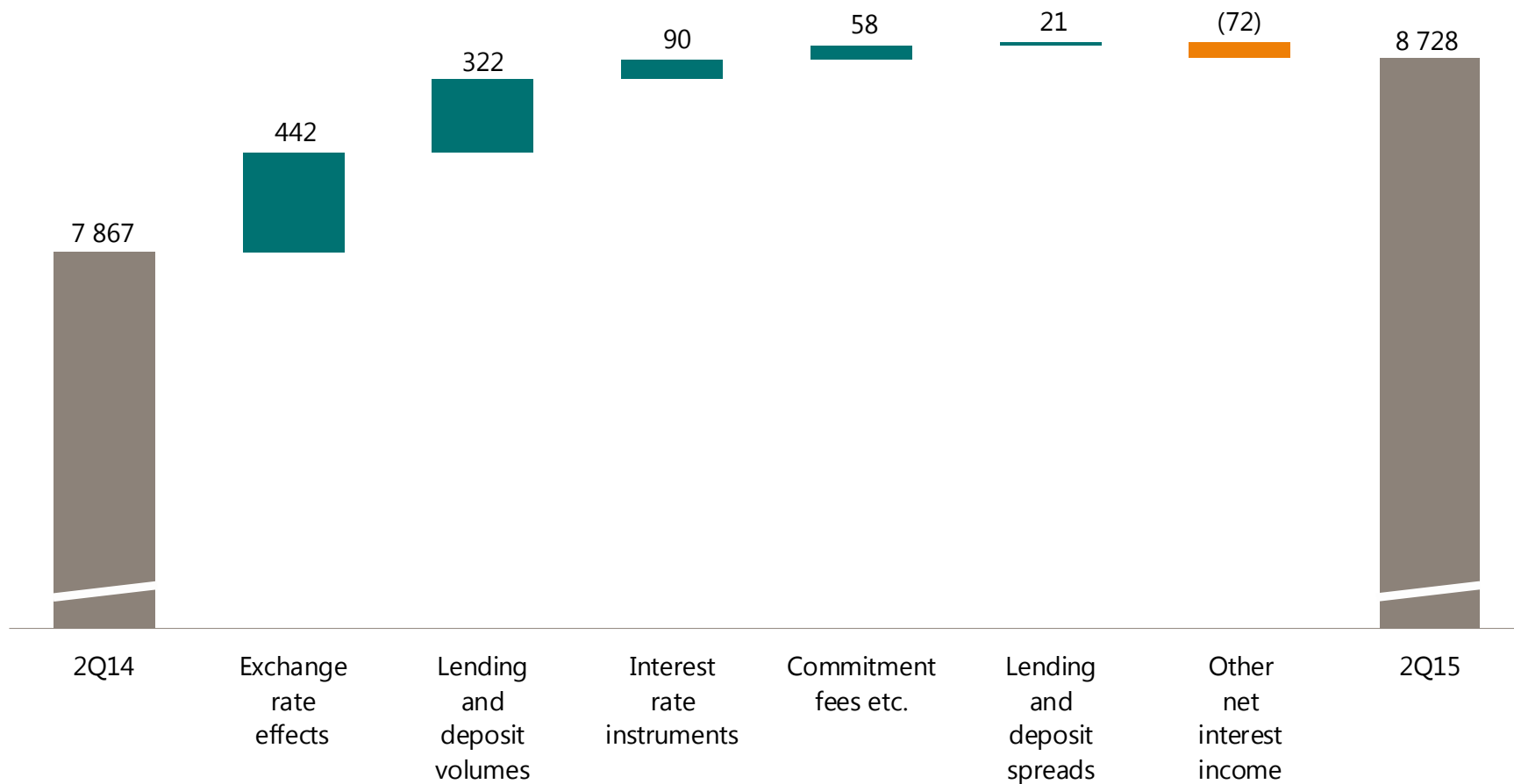
Net gains on financial instruments

Amounts in NOK million	2Q15	1Q15	2Q14	Change	
				1Q15 - 2Q15	2Q14 - 2Q15
Customer revenues in DNB Markets	573	622	446	(49)	127
Trading in foreign exchange/fixed income/equities in DNB Markets	713	468	337	245	376
Changes in credit spreads on bonds in DNB Markets	(132)	140	150	(272)	(282)
The bank's own equity investments	12	(193)	(29)	206	41
Exchange rate effects, additional Tier 1 capital	(191)	170	-	(361)	(191)
Other mark-to-market adjustments	252	384	195	(132)	57
Net gains on financial instruments at fair value, excl. basis swaps	1 228	1 590	1 099	(362)	128
Basis swaps	(54)	1 810	33	(1 864)	(87)
Net gains on financial instruments at fair value	1 174	3 400	1 132	(2 226)	42

Changes in net interest income

NOK million

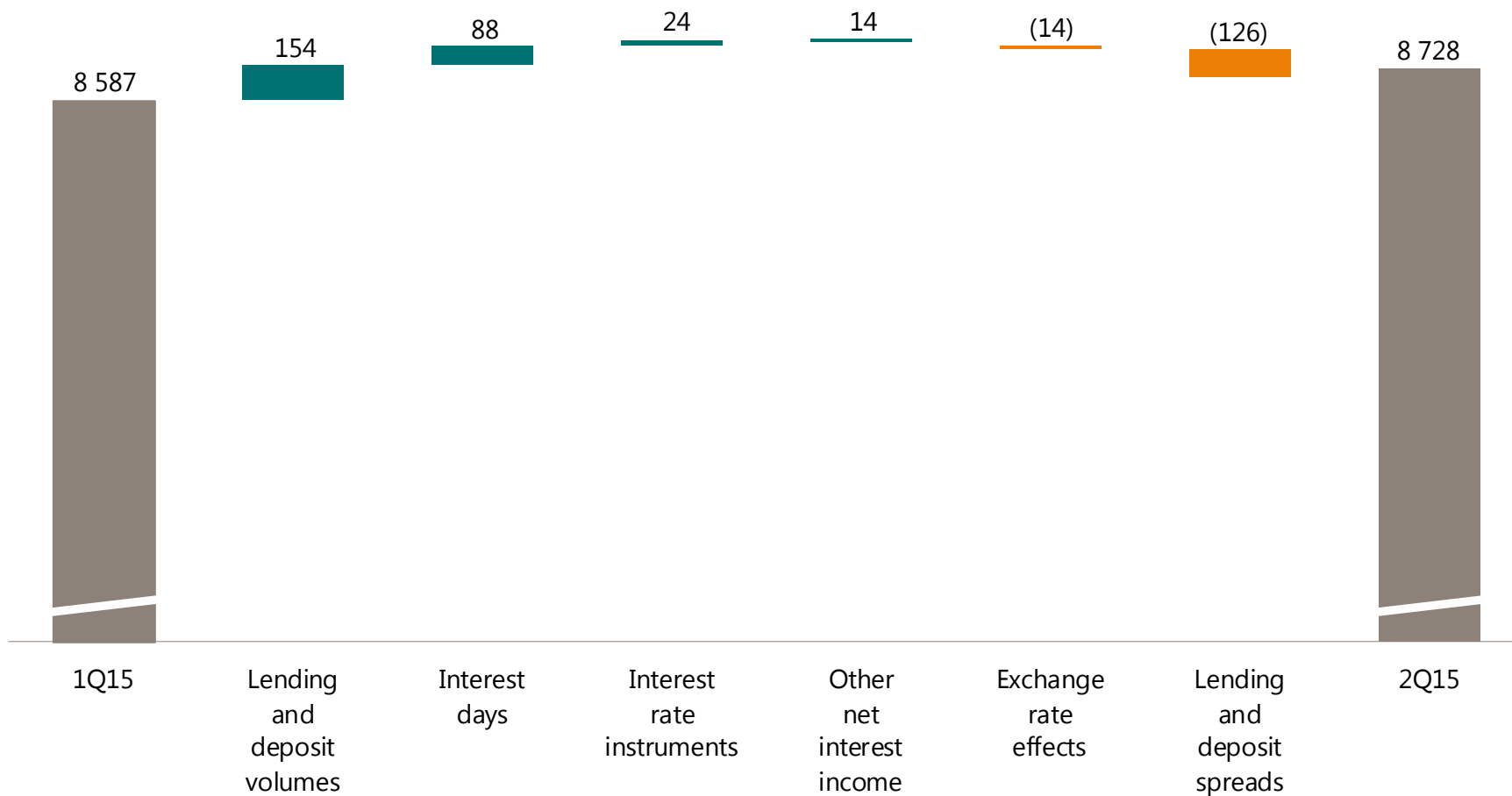
From 2nd quarter 2014 to 2nd quarter 2015



Changes in net interest income

NOK million

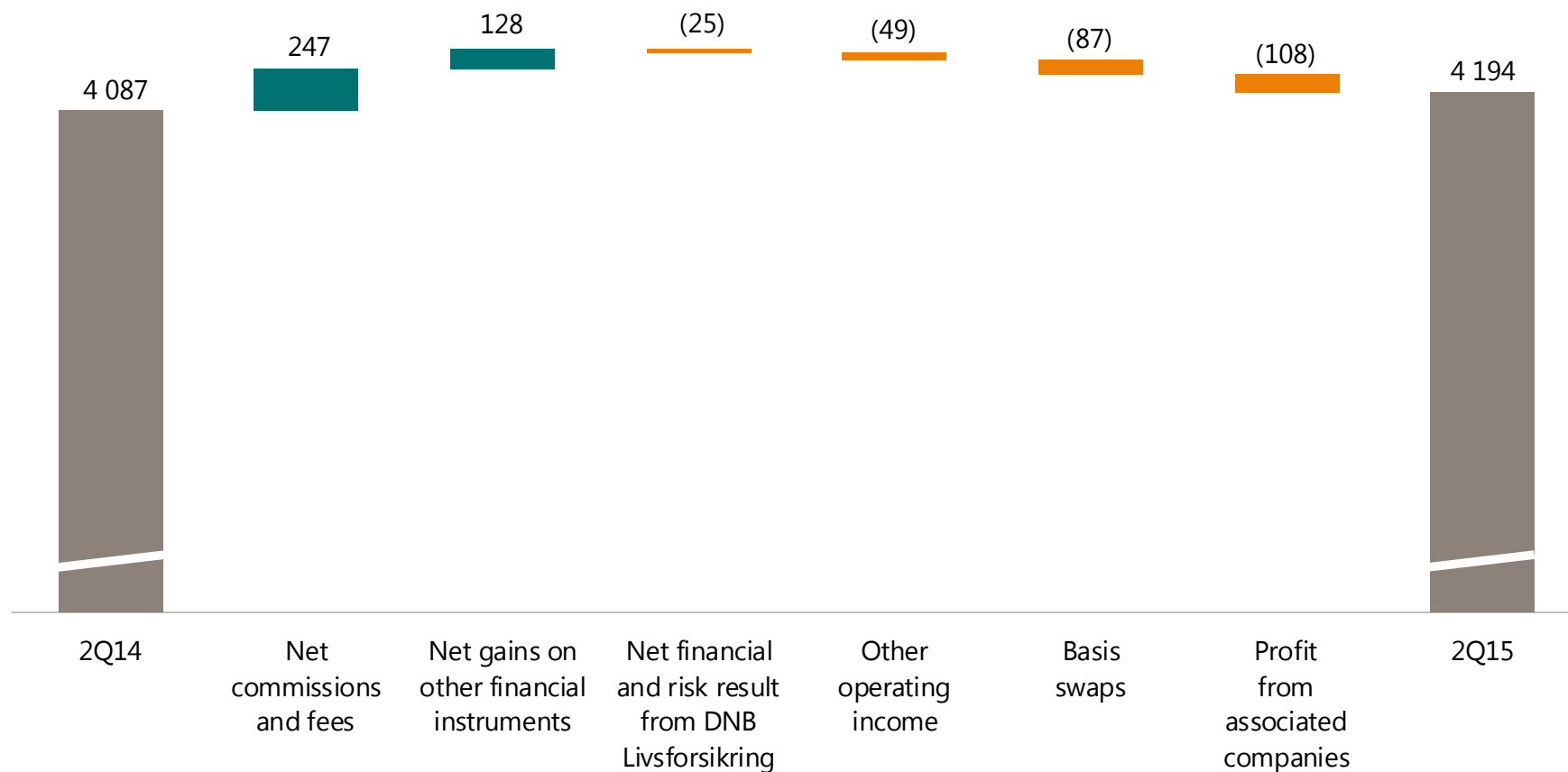
From 1st quarter 2015 to 2nd quarter 2015



Changes in net other operating income

NOK million

From 2nd quarter 2014 to 2nd quarter 2015



Changes in net other operating income

NOK million

From 1st quarter 2015 to 2nd quarter 2015



Changes in operating expenses

Amounts in NOK million	2Q15	Change	2Q14	Change in per cent
Total adjusted operating expenses	5 312	162	5 150	3.1
Of which :				
Exchange rate effects for units outside Norway		86		
Currency-adjusted operating expenses	5 226	76	5 150	1.5
Total adjusted operating expenses	5 312	162	5 150	
Income-related costs				
Ordinary depreciation on operational leasing		15		
Expenses directly related to operations				
IT expenses		124		
Pension expenses		23		
Fees		21		
Properties and premises		(57)		
Other costs		37		
Non-recurring effects	215	132	83	
Restructuring costs, employees	134	59	75	
Other restructuring costs and non-recurring effects	3	(5)	8	
IT restructuring	78	78	0	
Operating expenses	5 527	294	5 233	5.6

Changes in operating expenses

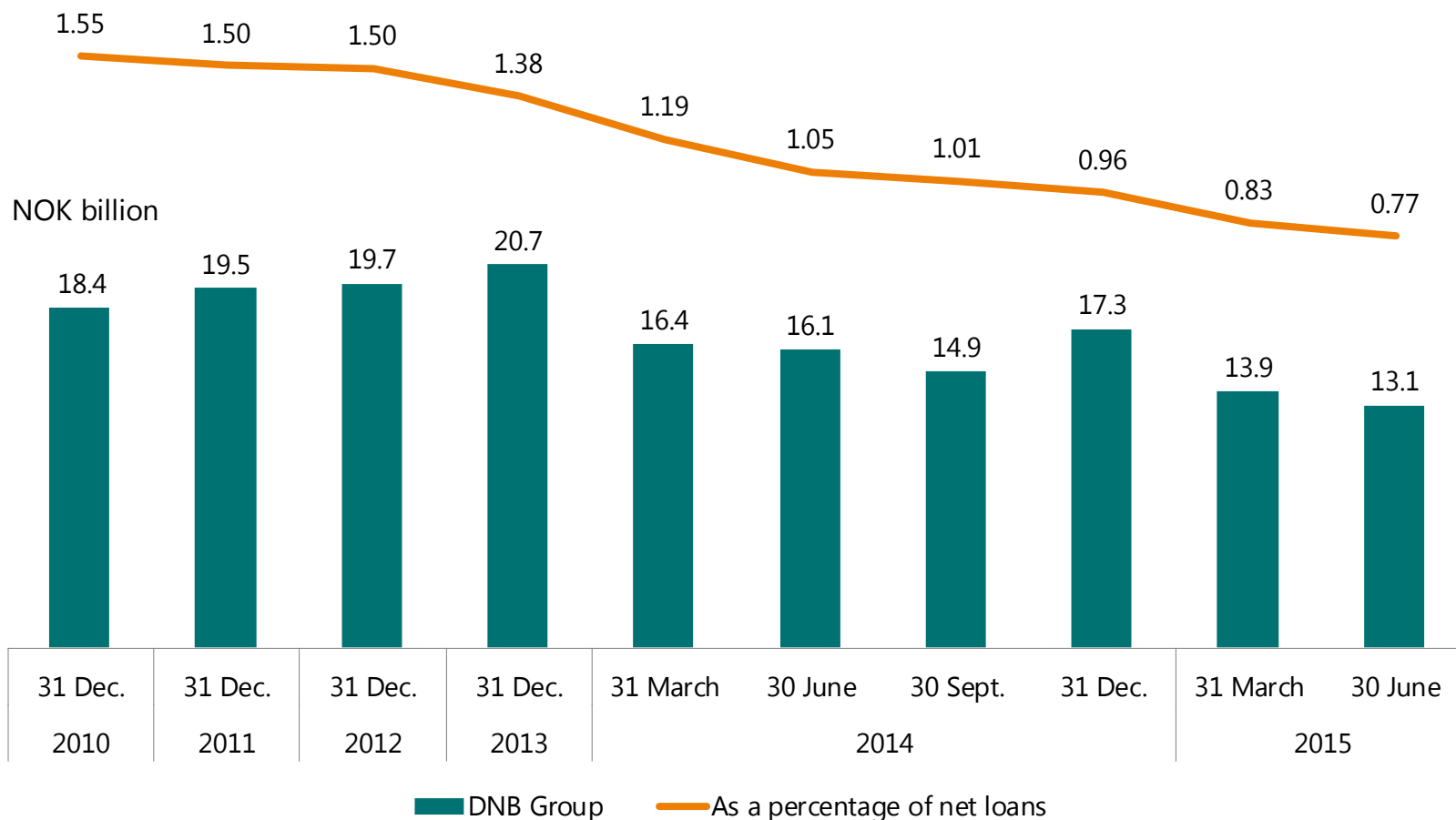
Amounts in NOK million	2Q15	Change	1Q15	Change in per cent
Total adjusted operating expenses	5 312	97	5 215	1.9
Expenses directly related to operations				
IT expenses		100		
Properties and premises		(17)		
Other costs		15		
Non-recurring effects	215	(8)	223	
Restructuring costs, employees	134	83	50	
Other restructuring costs and non-recurring effects	3	(62)	64	
IT restructuring	78	(30)	108	
Operating expenses	5 527	89	5 438	1.6

Impairment of loans and guarantees

Amounts in NOK million	2Q15	1Q15	4Q14	3Q14	2Q14	1st half 2015	1st half 2014
Personal customers	58	(34)	(67)	84	53	24	101
- Mortgage loans	(17)	(81)	(141)	33	(5)	(98)	(21)
- Consumer finance	75	46	74	51	58	122	122
Small and medium-sized enterprises	284	308	450	165	157	592	222
Large corporates and international customers	425	256	496	18	292	682	511
- Nordic Corporates Division	(5)	(15)	333	(3)	97	(20)	40
- International Corporates Division	93	(39)	166	86	(17)	54	39
- Shipping, Offshore and Logistics Division	302	242	(21)	(116)	152	544	304
- Energy Division	43	12	5	5	(2)	56	22
- Baltics and Poland	47	50	1	39	53	98	84
- Other units	(56)	7	13	8	9	(50)	22
Total individual impairment	767	530	879	267	502	1 298	834
Total collective impairment of loans	(101)	44	(58)	(84)	52	(57)	(200)
Impairment of loans and guarantees	667	575	821	183	554	1 241	634
Total impairment in relation to average volumes (annualised)	0.18	0.16	0.23	0.05	0.16	0.17	0.10

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

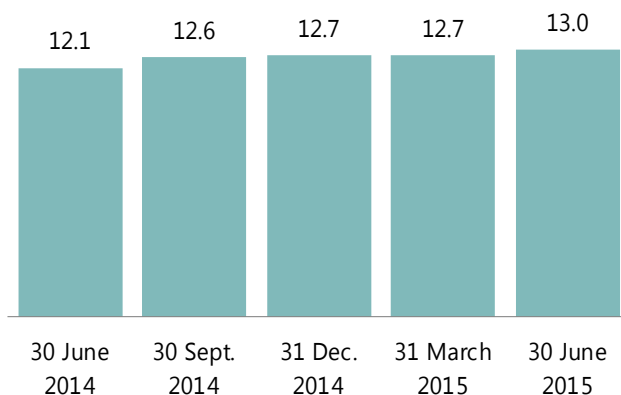
	DNB Group		DNB Bank ASA	
	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014
Amounts in NOK billion				
Deposits with central banks	159	59	156	54
Due from credit institutions	248	373	545	608
Loans to customers	1 491	1 439	710	723
Other assets	744	779	585	613
Total assets	2 642	2 649	1 996	1 998
Due to credit institutions	229	214	308	269
Deposits from customers	970	942	923	903
Short-term debt securities issued	172	207	172	207
Long-term debt securities issued	604	605	165	160
Other liabilities and provisions	494	523	286	332
Additional Tier 1 capital	8		8	
Other equity	166	159	135	128
Total liabilities and equity	2 642	2 649	1 996	1 998
Ratio of deposits to net loans (%)	65.0	65.4	130.0	124.8
Adjusted ratio of deposits to net loans (%) ¹⁾	64.4	63.5	128.7	121.0
Total combined assets	2 939	2 936	1 996	1 998
Currency-adjusted loans to customers	1 479		702	
Currency-adjusted deposits from customers	961		913	

1) Excluding short-term money market deposits

Common equity Tier 1 capital ratio ¹⁾

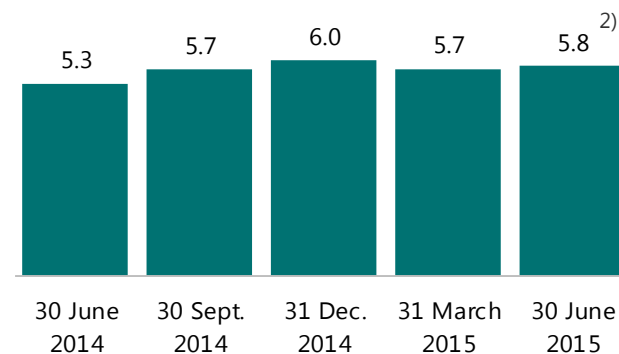
Transitional rules

Per cent



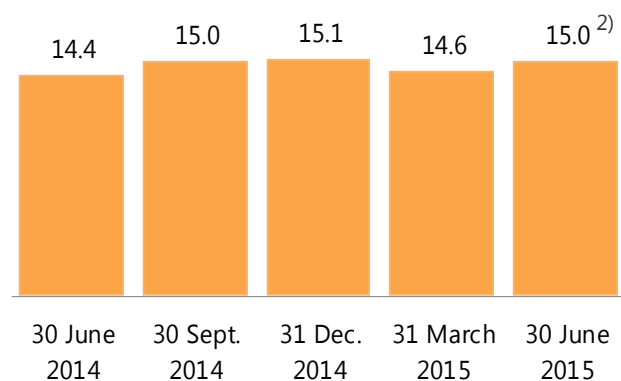
Leverage ratio

Per cent



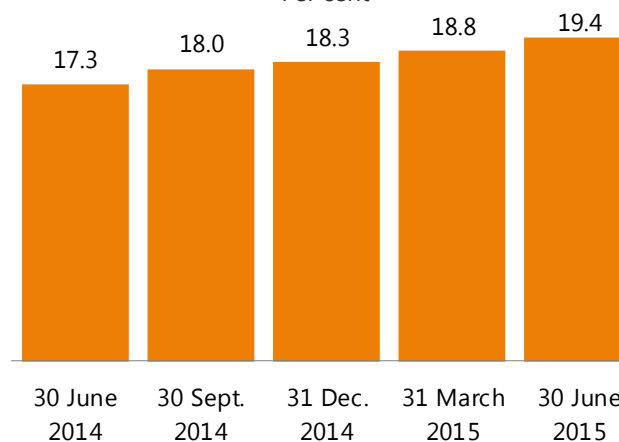
Future Basel III estimate

Per cent



Estimate applying average weights used by Swedish banks ³⁾

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. A 10 percentage point change in retained earnings corresponds to a 10 basis point change in the CET1 ratio at end-June 2015

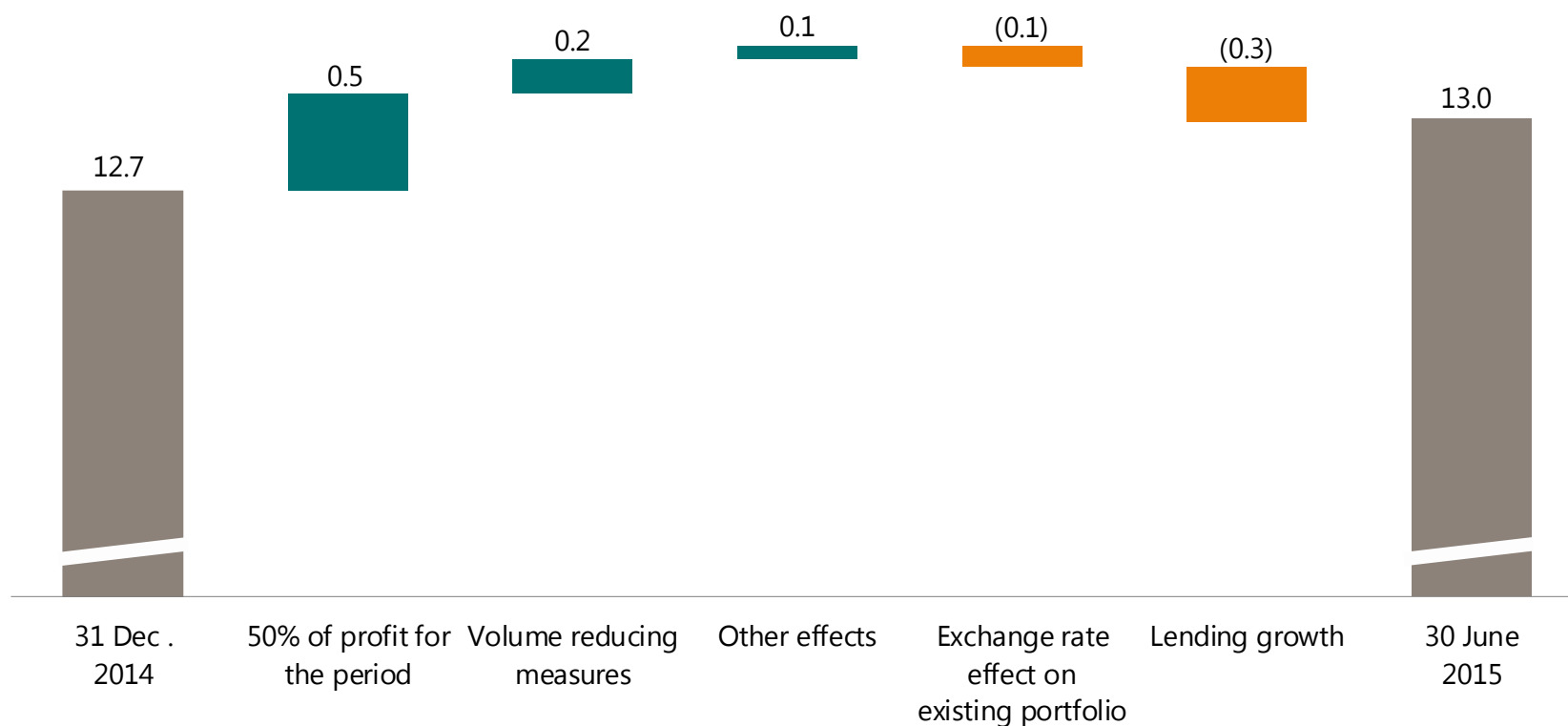
2) The calculations at end-June 2015 have been altered in accordance with the proposed new rules

3) 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 Dec 2014 to 30 June 2015



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 in the period ahead (excluding restructuring costs and exchange rate effects)



Impairment expected to stay below NOK 3 billion – no noticeable effects from oil and gas thus far



Q2

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

