

Q3

RESULTS DNB GROUP THIRD QUARTER 2015

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22.10.2015



Third quarter 2015

Pre-tax operating profit before impairment in NOK billion

8.1 (7.6)

Cost/income ratio in per cent

39.6 (40.4)

Return on equity in per cent

14.7 (14.8)

Earnings per share in NOK

3.83 (3.45)

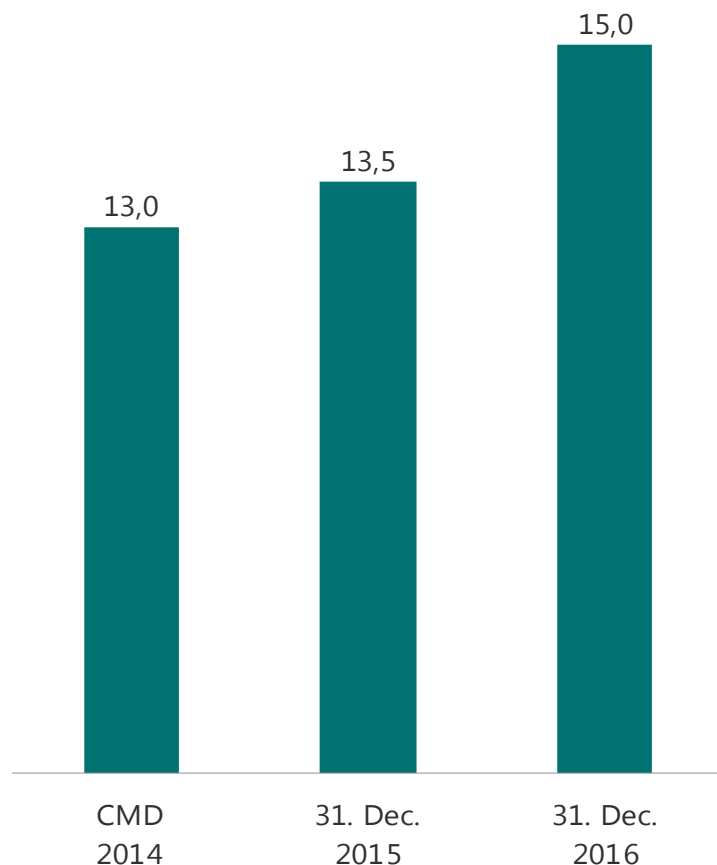
Common equity Tier 1 capital ratio in per cent ¹⁾ (transitional rules)

13.1 (12.6)

Figures in parentheses refer to 3Q14

Clarifications Pillar 2/CET1

Requirements from FSA ¹⁾



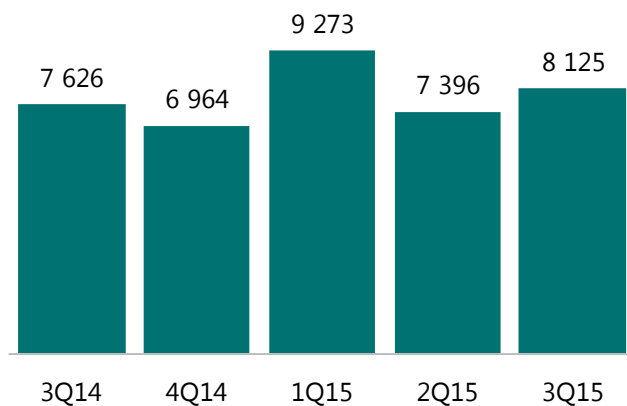
Takeaways

- Dividend policy is unchanged with ambitions above 50% payout ratio when the requirement has been reached
- For 2015 the ambition is to maintain a dividend level at approximately the same level as for 2014
- Initiatives to reach the requirements will be presented at our capital markets day

Profit figures

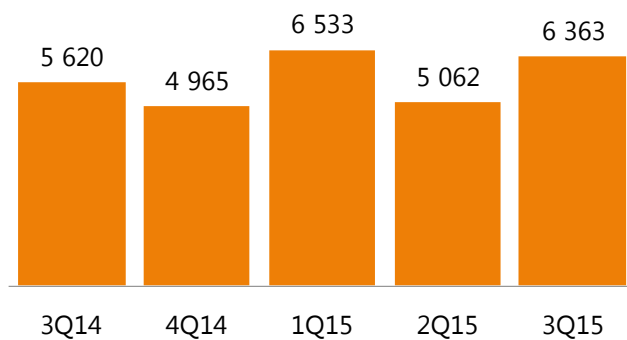
Pre-tax operating profit before impairment

NOK million



Profit for the period

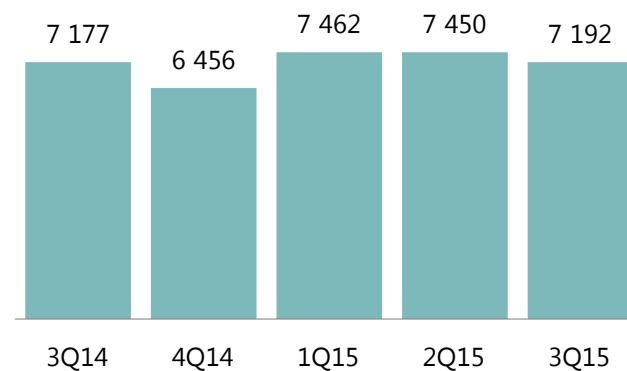
NOK million



Pre-tax operating profit before impairment

excl. basis swaps

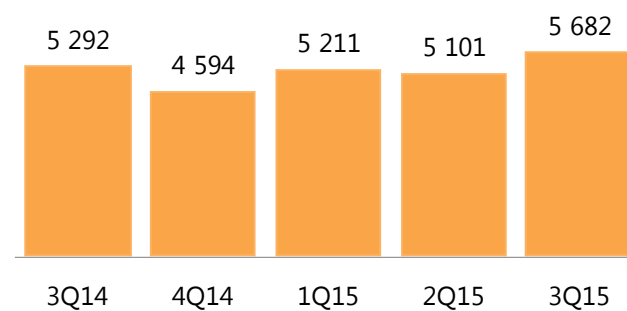
NOK million



Profit for the period

excl. basis swaps

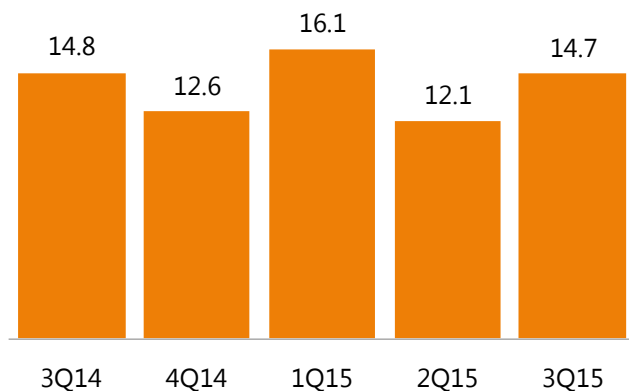
NOK million



Return on equity and cost/income ratio

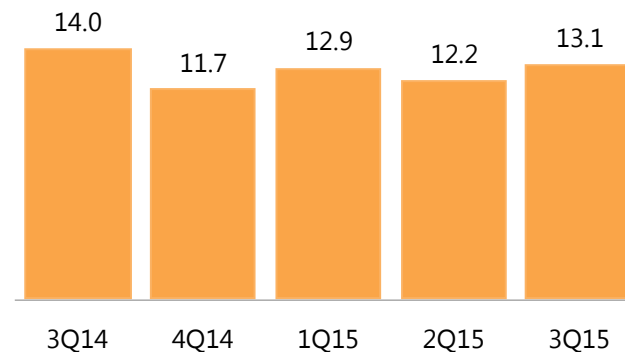
Return on equity ¹⁾

Per cent



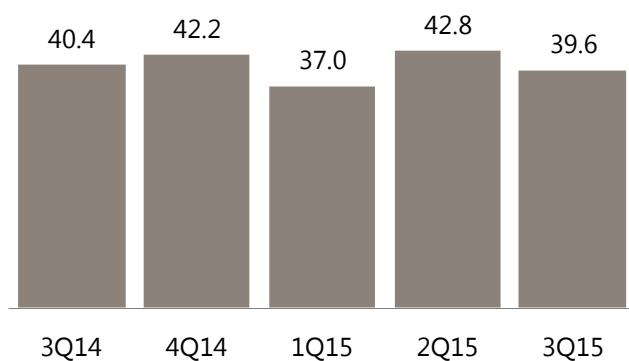
Return on equity excl. basis swaps ¹⁾

Per cent



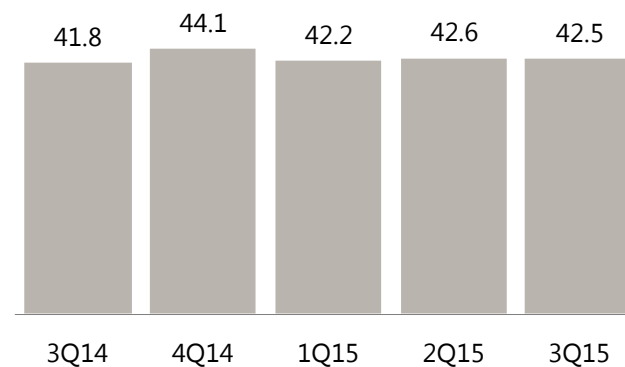
Cost/income ratio

Per cent



Cost/income ratio excl. basis swaps

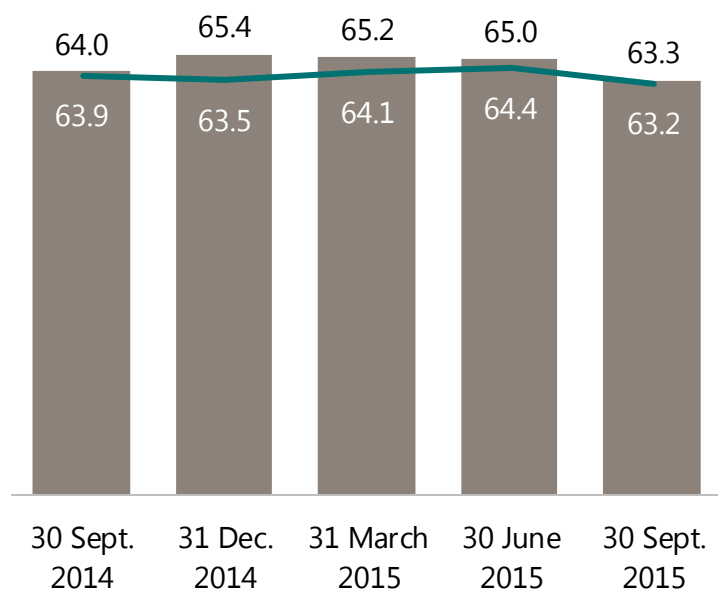
Per cent



Ratio of deposits to net loans and earnings per share

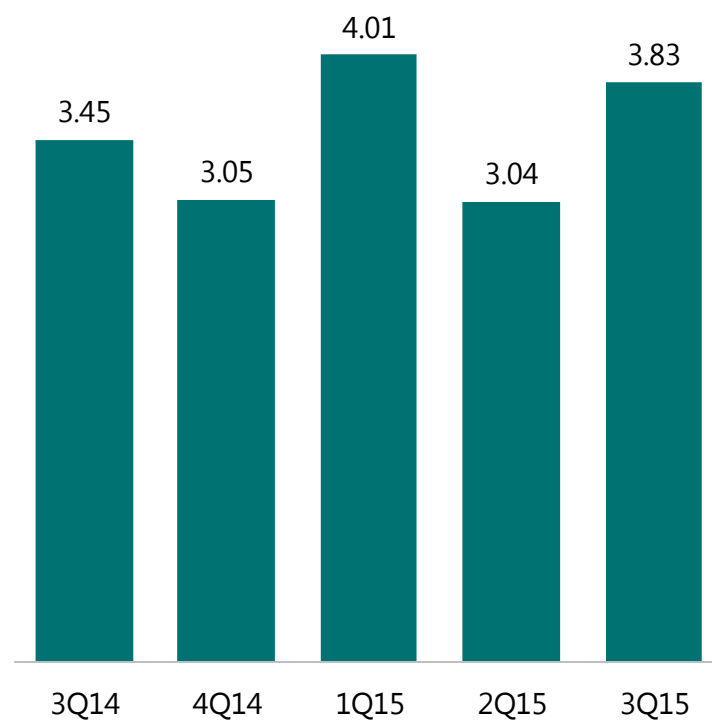
Ratio of deposits to net loans

Per cent



Earnings per share

NOK



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

Customer segments

NOK million

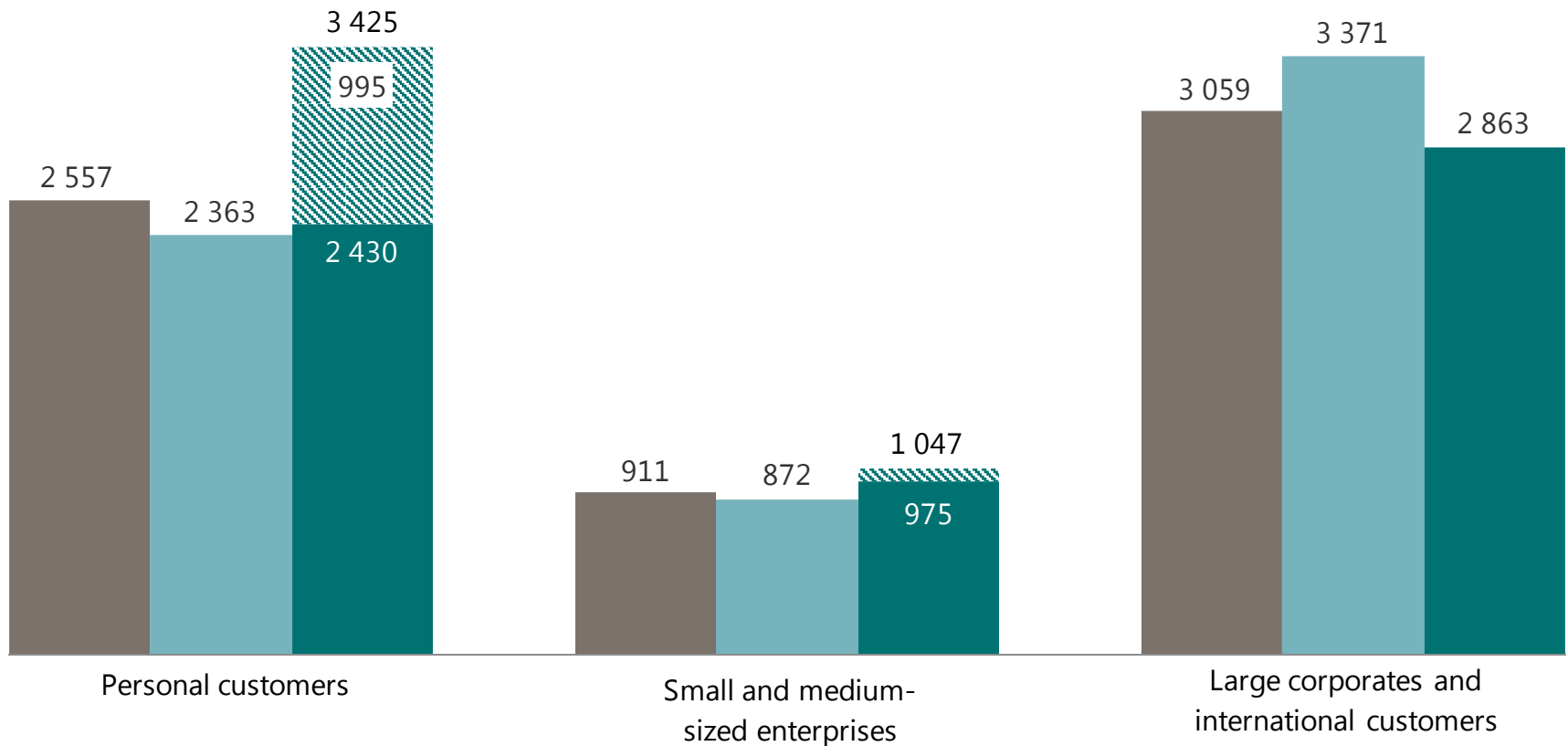
Pre-tax operating profit after impairment

▨ Sale of portfolios

■ 3Q15

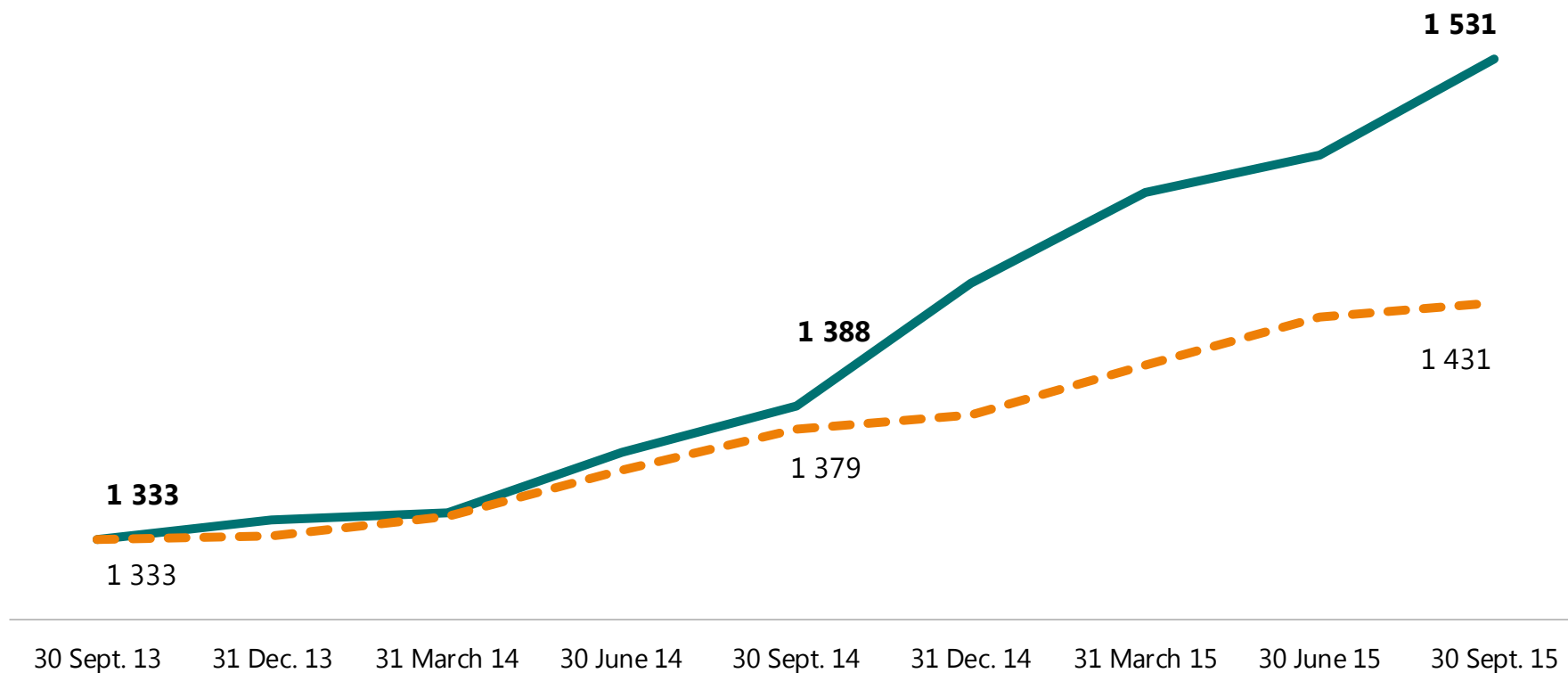
■ 2Q15

■ 3Q14



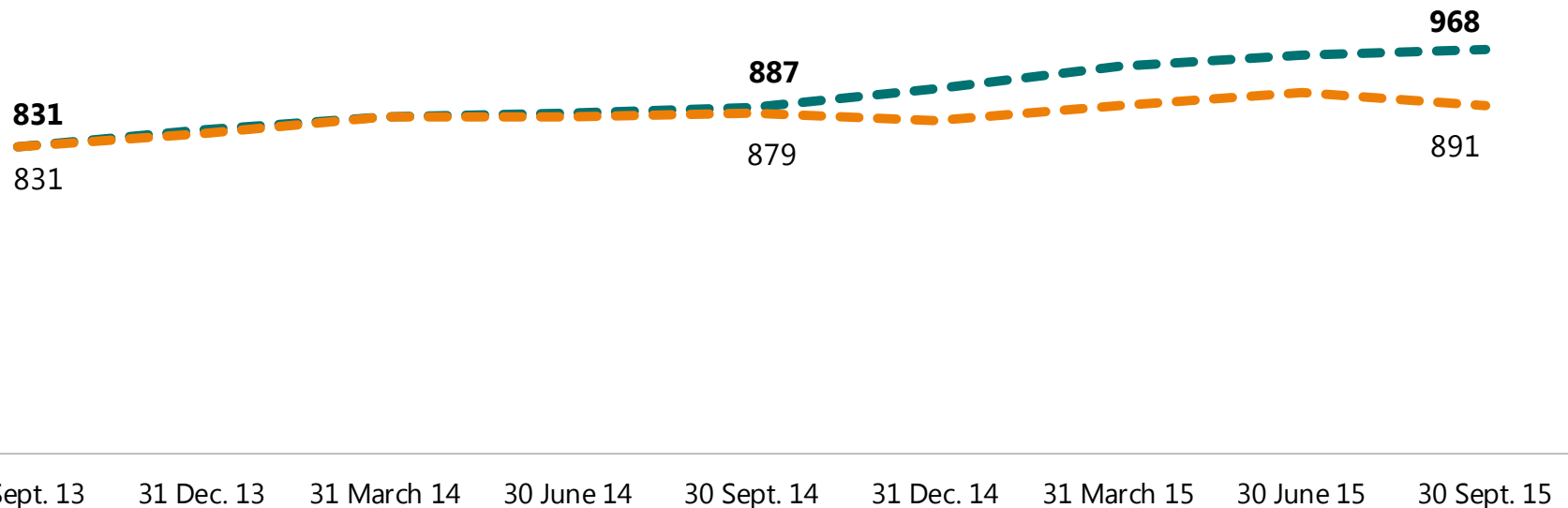
Development in loans

NOK billion



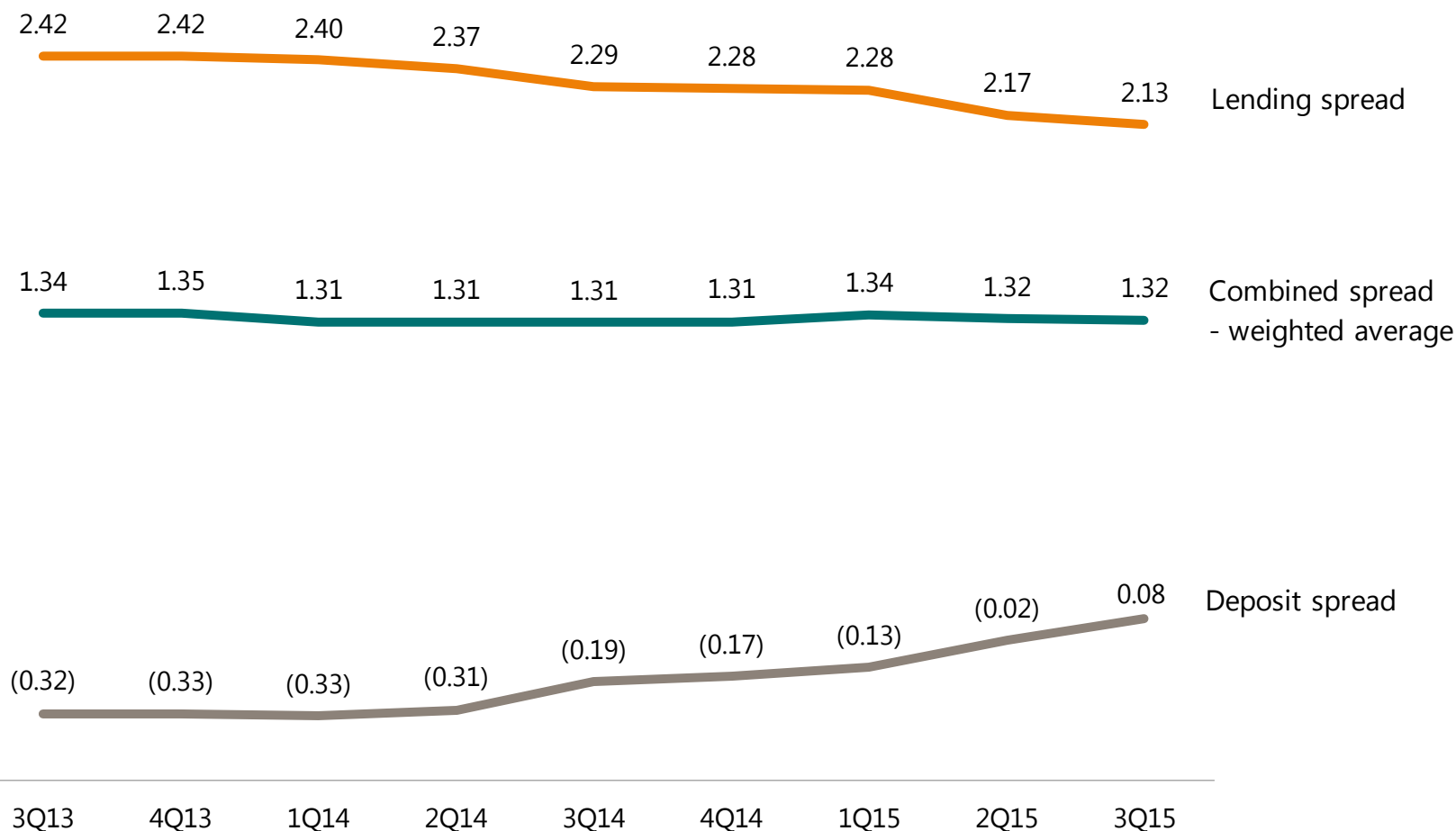
Development in deposits – adjusted for short-term money market investments

NOK billion



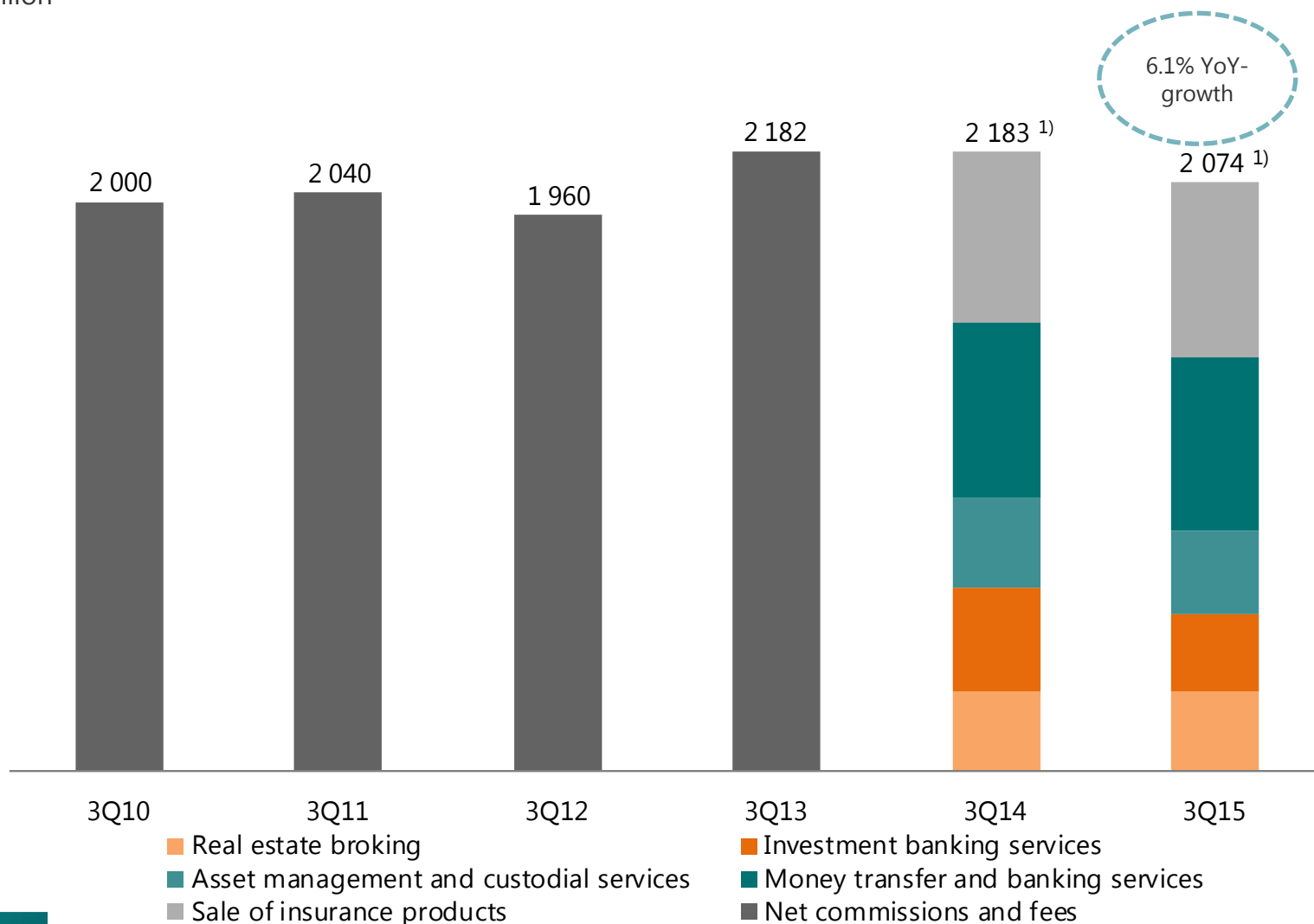
Development in average interest rate spreads – customer segments

Per cent



Development in commissions and fees

NOK million



Income statement

| Amounts in NOK million | 3Q15 | 2Q15 | 1Q15 | 4Q14 | 3Q14 | Jan.-Sept. 2015 | Jan.-Sept. 2014 |
|--|----------------|---------|---------|---------|----------------|--------------------|--------------------|
| Net interest income | 8 981 | 8 728 | 8 587 | 8 700 | 8 228 | 26 296 | 23 787 |
| <i>Net commissions and fees</i> | 2 080 | 2 489 | 2 212 | 2 313 | 2 229 | 6 781 | 6 656 |
| <i>Net gains on financial instruments at fair value</i> | 1 945 | 1 174 | 3 400 | 279 | 1 817 | 6 519 | 5 038 |
| <i>Net financial and risk result, DNB Livsforsikring</i> | 64 | 158 | 52 | 185 | 136 | 273 | 424 |
| <i>Net insurance result, DNB Forsikring</i> | 128 | 153 | 99 | 129 | 121 | 379 | 362 |
| <i>Other operating income</i> | 247 | 221 | 361 | 446 | 256 | 830 | 1 044 |
| Net other operating income, total | 4 463 | 4 194 | 6 124 | 3 352 | 4 560 | 14 782 | 13 525 |
| Total income | 13 444 | 12 923 | 14 711 | 12 052 | 12 788 | 41 078 | 37 311 |
| Operating expenses | (5 103) | (5 312) | (5 215) | (5 045) | (5 088) | (15 630) | (15 406) |
| Restructuring costs and non-recurring effects | (216) | (215) | (223) | (42) | (74) | (654) | (181) |
| Pre-tax operating profit before impairment | 8 125 | 7 396 | 9 273 | 6 964 | 7 626 | 24 793 | 21 724 |
| Net gains on fixed and intangible assets | (3) | 45 | 12 | 42 | 13 | 54 | 11 |
| Impairment of loans and guarantees | 392 | (667) | (575) | (821) | (183) | (849) | (817) |
| Pre-tax operating profit | 8 514 | 6 774 | 8 710 | 6 184 | 7 456 | 23 998 | 20 918 |
| Tax expense | (2 136) | (1 695) | (2 130) | (1 236) | (1 828) | (5 961) | (5 227) |
| Profit from operations held for sale, after taxes | (14) | (17) | (47) | 16 | (8) | (79) | (39) |
| Profit for the period | 6 363 | 5 062 | 6 533 | 4 965 | 5 620 | 17 958 | 15 652 |
| Profit attributable to shareholders | 6 238 | 4 952 | 6 519 | 4 965 | 5 620 | 17 709 | 15 652 |

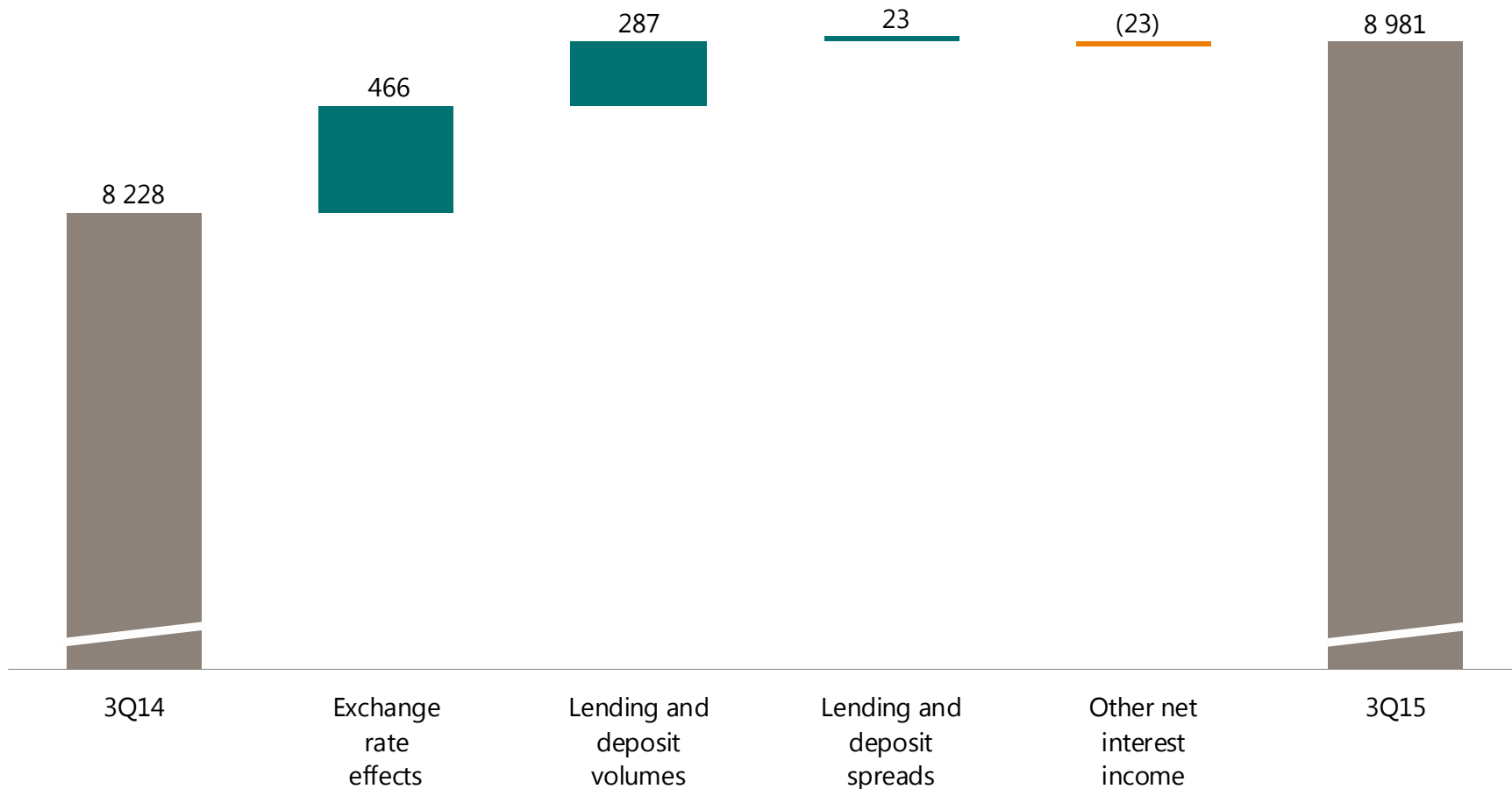
Net gains on financial instruments

| Amounts in NOK million | 3Q15 | 2Q15 | 3Q14 | Change | |
|--|--------------|-------|--------------|----------------|----------------|
| | | | | 2Q15 - 3Q15 | 3Q14 - 3Q15 |
| Customer revenues in DNB Markets | 508 | 573 | 454 | (65) | 54 |
| Trading revenues in DNB Markets (excl. CVA/DVA and credit spread effects) | 474 | 440 | 516 | 34 | (42) |
| Credit spread effects on bonds in DNB Markets | (582) | (132) | 200 | (450) | (782) |
| Financial guarantees | 228 | 233 | 211 | (5) | 18 |
| Basis swaps | 933 | (54) | 449 | 987 | 484 |
| CVA/DVA | (414) | 252 | (108) | (667) | (306) |
| Other mark-to-market adjustments | 798 | (139) | 95 | 937 | 703 |
| Net gains on financial instruments at fair value | 1 945 | 1 174 | 1 817 | 771 | 129 |

Changes in net interest income

NOK million

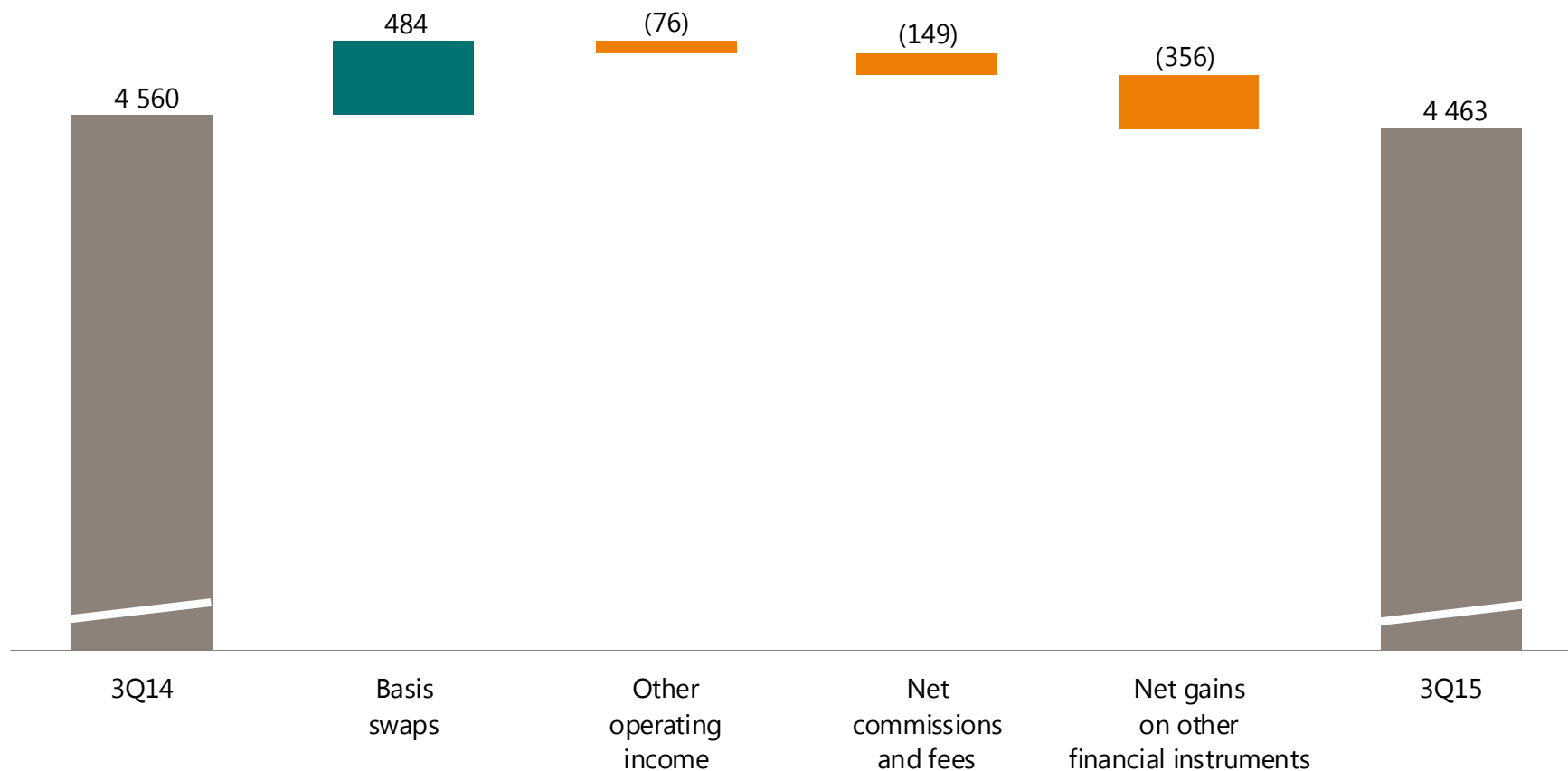
From 3rd quarter 2014 to 3rd quarter 2015



Changes in net other operating income

NOK million

From 3rd quarter 2014 to 3rd quarter 2015



Changes in operating expenses

| Amounts in NOK million | 3Q15 | Change | 3Q14 | Change in per cent |
|---|----------------|--------------|----------------|-----------------------|
| Total adjusted operating expenses | (5 103) | (15) | (5 088) | (0.3) |
| Of which : | | | | |
| Exchange rate effects for units outside Norway | | (167) | | |
| Currency-adjusted operating expenses | (4 936) | 152 | (5 088) | 3.0 |
| Total adjusted operating expenses | (5 103) | (15) | (5 088) | |
| Income-related costs | | | | |
| Ordinary depreciation on operational leasing | | (24) | | |
| Expenses directly related to operations | | | | |
| Pension expenses | | (21) | | |
| Fees | | (18) | | |
| Properties and premises | | 78 | | |
| Other costs | | (30) | | |
| Non-recurring effects | (216) | (142) | (74) | |
| Restructuring costs, employees | (63) | (31) | (33) | |
| Other restructuring costs and non-recurring effects | (97) | (55) | (41) | |
| IT restructuring | (56) | (56) | 0 | |
| Operating expenses | (5 319) | (157) | (5 162) | (3.0) |

Changes in operating expenses

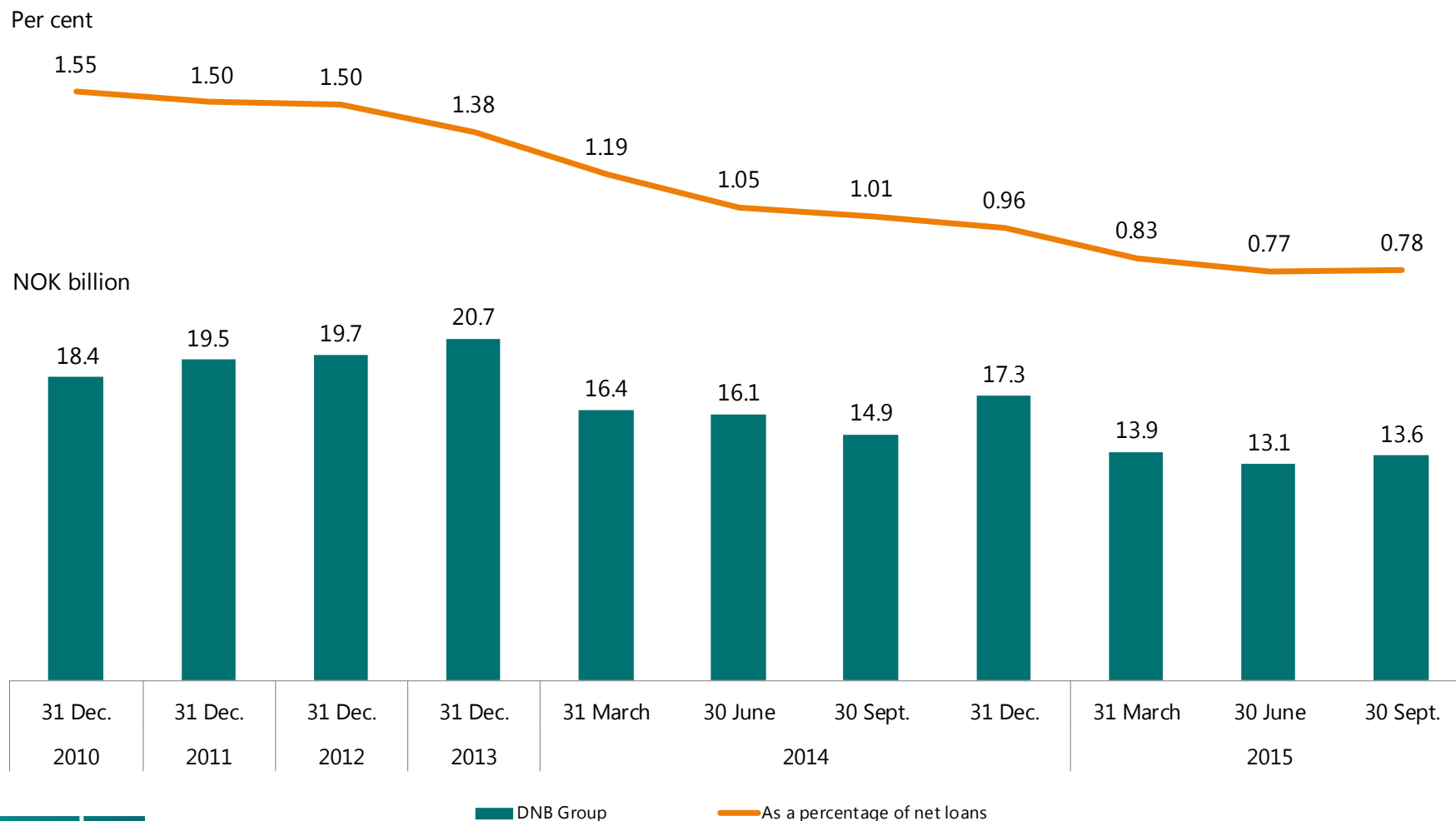
| Amounts in NOK million | 3Q15 | Change | 2Q15 | Change in per cent |
|---|----------------|------------|----------------|-----------------------|
| Total adjusted operating expenses | (5 103) | 209 | (5 312) | 3.9 |
| Of which : | | | | |
| Exchange rate effects for units outside Norway | | (72) | | |
| Currency-adjusted operating expenses | (5 031) | 281 | (5 312) | 5.3 |
| Total adjusted operating expenses | (5 103) | 209 | (5 312) | |
| Expenses directly related to operations | | | | |
| IT expenses | | 110 | | |
| Marketing expenses | | 39 | | |
| Performance-based pay | | 37 | | |
| Other costs | | 23 | | |
| Non-recurring effects | (216) | (1) | (215) | |
| Restructuring costs, employees | (63) | 71 | (134) | |
| Other restructuring costs and non-recurring effects | (97) | (94) | (3) | |
| IT restructuring | (56) | 22 | (78) | |
| Operating expenses | (5 319) | 208 | (5 527) | 3.8 |

Impairment of loans and guarantees

| Amounts in NOK million | 3Q15 | 2Q15 | 1Q15 | 4Q14 | 3Q14 | Jan.-Sept. 2015 | Jan.-Sept. 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------------|--------------------|
| Personal customers | 942 | (58) | 34 | 67 | (84) | 918 | (185) |
| - Mortgage loans | 10 | 17 | 81 | 141 | (33) | 107 | (12) |
| - Consumer finance | 932 | (75) | (46) | (74) | (51) | 811 | (173) |
| Small and medium-sized enterprises | (129) | (284) | (308) | (450) | (165) | (721) | (387) |
| Large corporates and international customers | (527) | (425) | (256) | (496) | (18) | (1 209) | (529) |
| - Nordic Corporates Division | (6) | 5 | 15 | (333) | 3 | 14 | (37) |
| - International Corporates Division | (22) | (93) | 39 | (166) | (86) | (77) | (124) |
| - Shipping, Offshore and Logistics Division | (379) | (302) | (242) | 21 | 116 | (923) | (188) |
| - Energy Division | (88) | (43) | (12) | (5) | (5) | (144) | (27) |
| - Baltics and Poland | (12) | (47) | (50) | (1) | (39) | (110) | (123) |
| - Other units | (19) | 56 | (7) | (13) | (8) | 30 | (30) |
| Total individual impairment | 285 | (767) | (530) | (879) | (267) | (1 013) | (1 101) |
| Total collective impairment of loans | 106 | 101 | (44) | 58 | 84 | 163 | 284 |
| Impairment of loans and guarantees | 392 | (667) | (575) | (821) | (183) | (849) | (817) |
| Total impairment in relation to average volumes (annualised) ¹⁾ | 0.10 | (0.18) | (0.16) | (0.23) | (0.05) | (0.08) | (0.08) |

1) Excluding the sale of non-performing loan portfolios, the ratio was (0.18) for 3Q15
Excluding the sale of non-performing loan portfolios, the ratio was (0.17) for YTD 2015

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



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

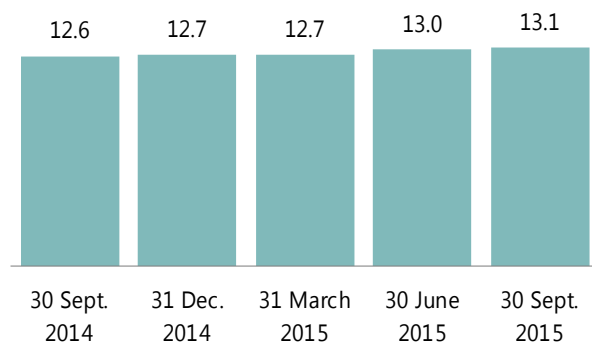
Balance sheets

| | DNB Group | | DNB Bank ASA | |
|---|------------------|-----------------|------------------|-----------------|
| | 30 Sept. 2015 | 31 Dec. 2014 | 30 Sept. 2015 | 31 Dec. 2014 |
| Amounts in NOK billion | | | | |
| Deposits with central banks | 187 | 59 | 184 | 54 |
| Due from credit institutions | 238 | 373 | 535 | 608 |
| Loans to customers | 1 531 | 1 439 | 715 | 723 |
| Other assets | 787 | 779 | 633 | 613 |
| Total assets | 2 744 | 2 649 | 2 067 | 1 998 |
| Due to credit institutions | 253 | 214 | 324 | 269 |
| Deposits from customers | 970 | 942 | 921 | 903 |
| Short-term debt securities issued | 187 | 207 | 187 | 207 |
| Long-term debt securities issued | 644 | 605 | 179 | 160 |
| Other liabilities and provisions | 508 | 523 | 310 | 332 |
| Additional Tier 1 capital | 8 | | 8 | |
| Other equity | 174 | 159 | 138 | 128 |
| Total liabilities and equity | 2 744 | 2 649 | 2 067 | 1 998 |
| Ratio of deposits to net loans (%) | 63.3 | 65.4 | 128.9 | 124.8 |
| Adjusted ratio of deposits to net loans (%) ¹⁾ | 63.2 | 63.5 | 128.7 | 121.0 |
| Total combined assets | 3 033 | 2 936 | 2 067 | 1 998 |
| Currency-adjusted loans to customers | 1 485 | | 687 | |
| Currency-adjusted deposits from customers | 936 | | 889 | |

Common equity Tier 1 capital ratio ¹⁾

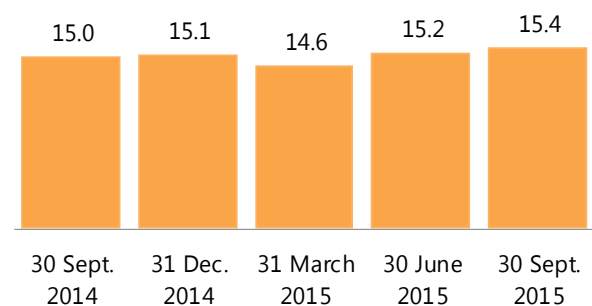
Transitional rules

Per cent



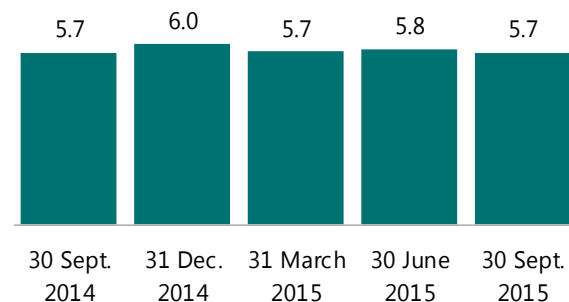
Future Basel III estimate ²⁾

Per cent



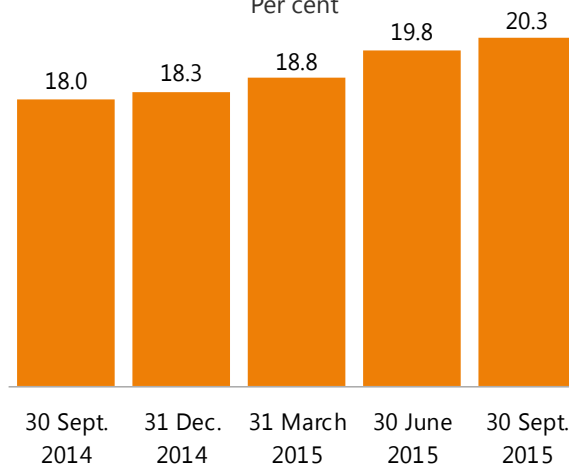
Leverage ratio ²⁾

Per cent



Estimate applying average weights used by Swedish banks ^{2) 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 15 basis point change in the CET1 ratio at end-September 2015

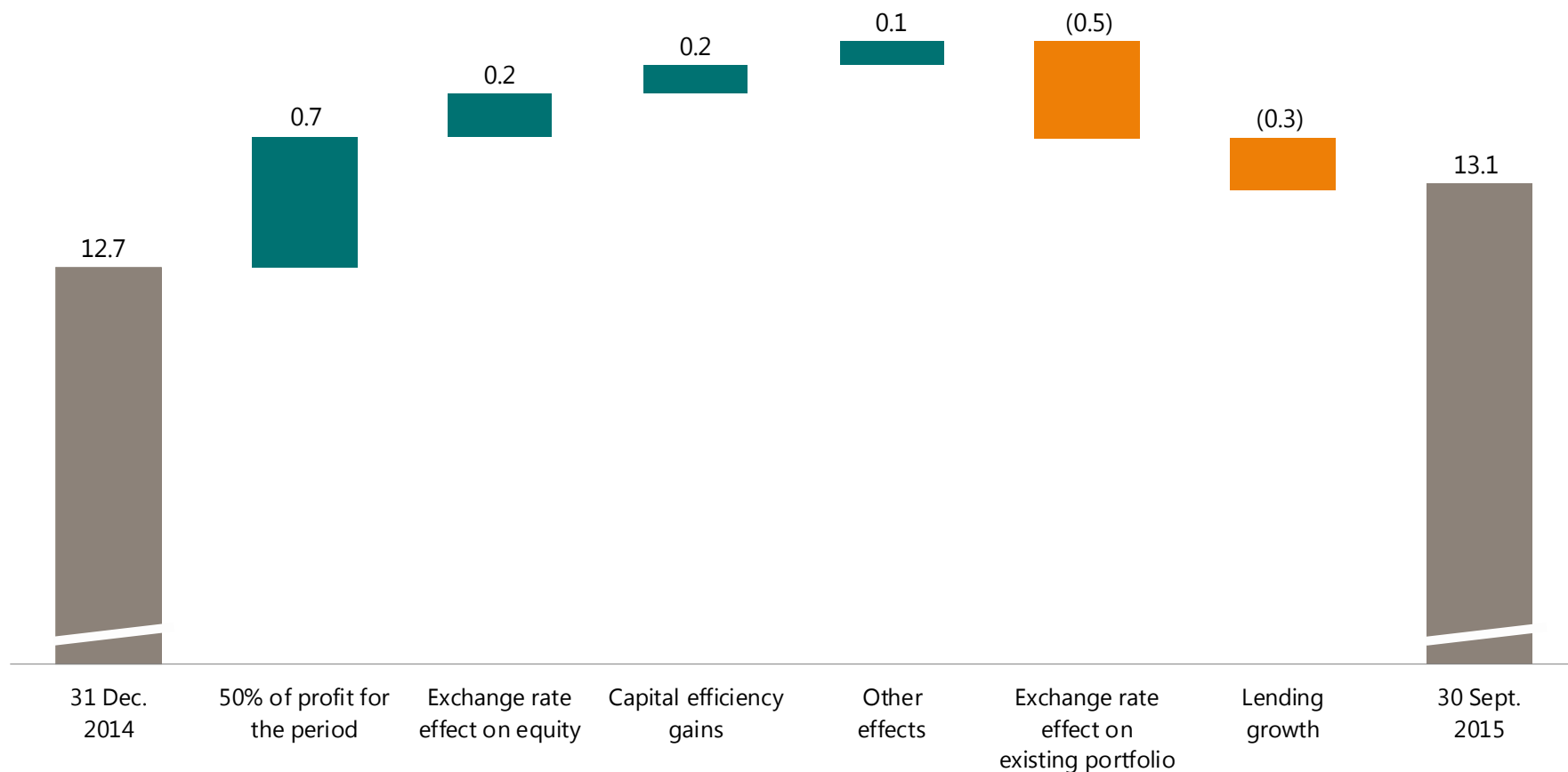
2) The calculations from end-June 2015 have been altered in accordance with the proposed new rules

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 Sept. 2015



Welcome to DNBs Capital Markets Day

London
25 November 2015



By DNB

