

Q4

RESULTS DNB GROUP FOURTH QUARTER 2015

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)

04.02.2016



Full year 2015

Pre-tax operating profit before impairment in NOK billion

34.1 (28.7)

Cost/income ratio in per cent

36.9 (41.9)

Return on equity in per cent

14.5 (13.8)

Earnings per share in NOK

14.98 (12.67)

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

14.4 (12.7)

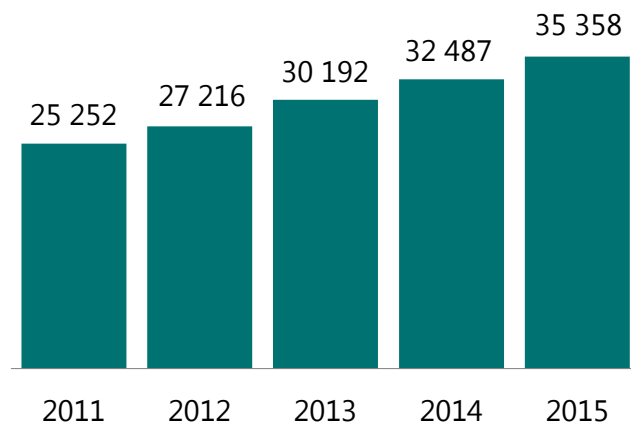
Proposed dividend in NOK

4.50 (3.80)

Profit figures

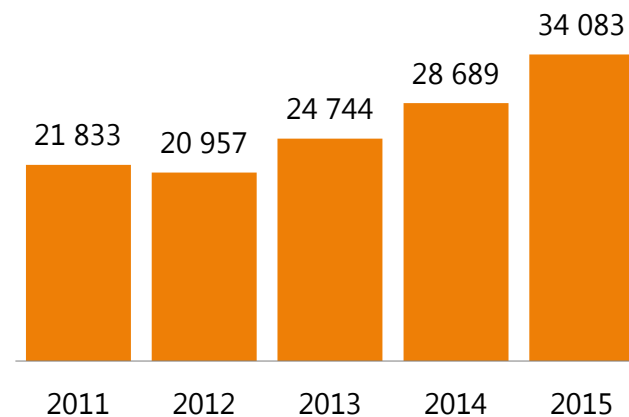
Net interest income

NOK million



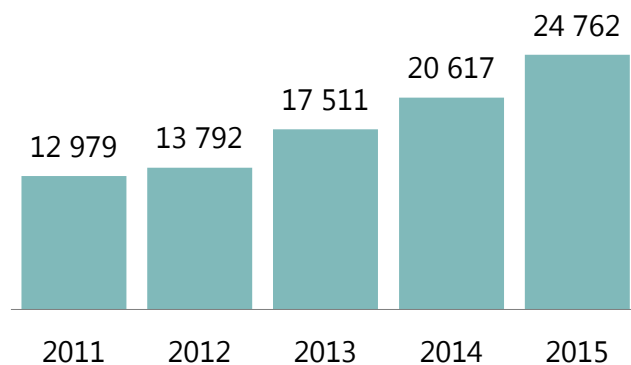
Pre-tax operating profit before impairment

NOK million



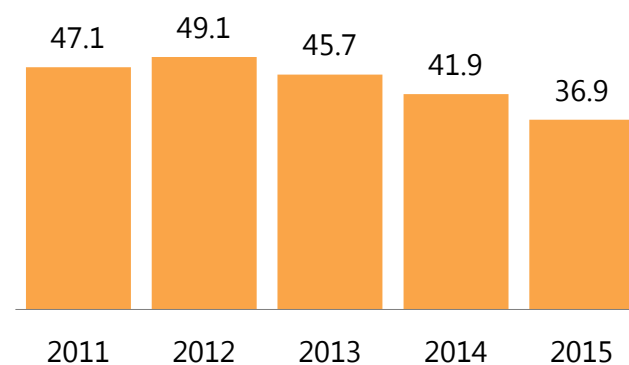
Profit for the period

NOK million



Cost/income ratio

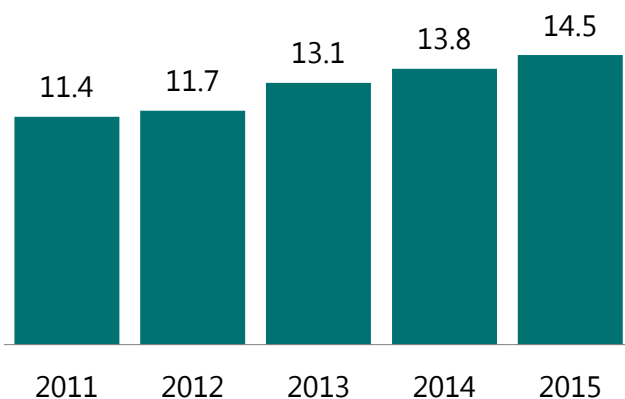
Per cent



Financial strength

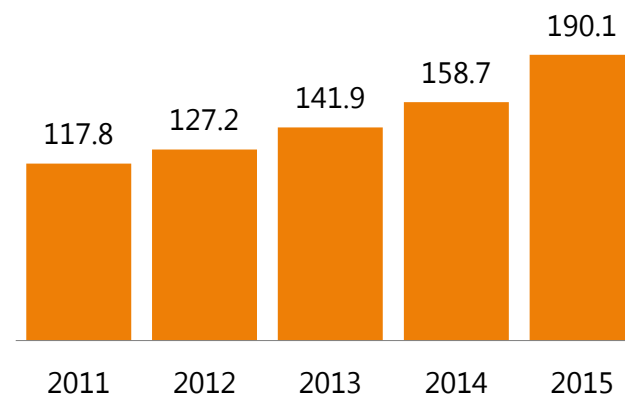
Return on equity ¹⁾

Per cent



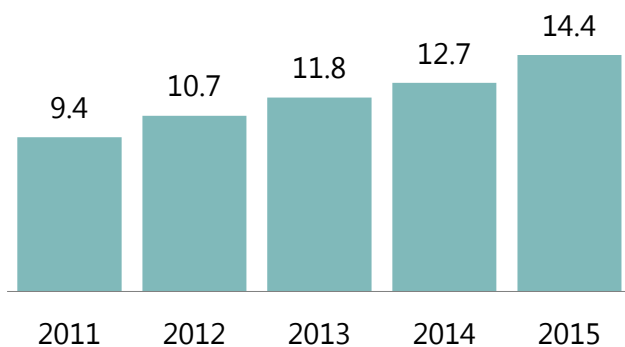
Equity

NOK billion



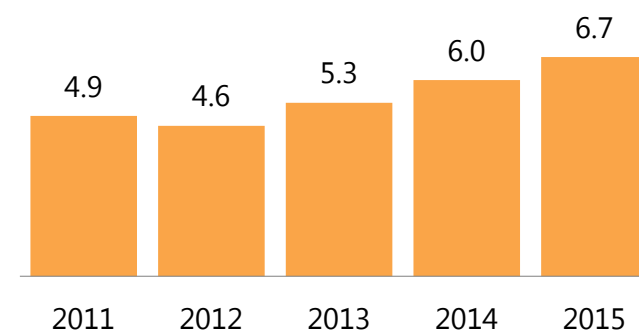
CET 1 capital adequacy

Per cent



Leverage ratio ²⁾

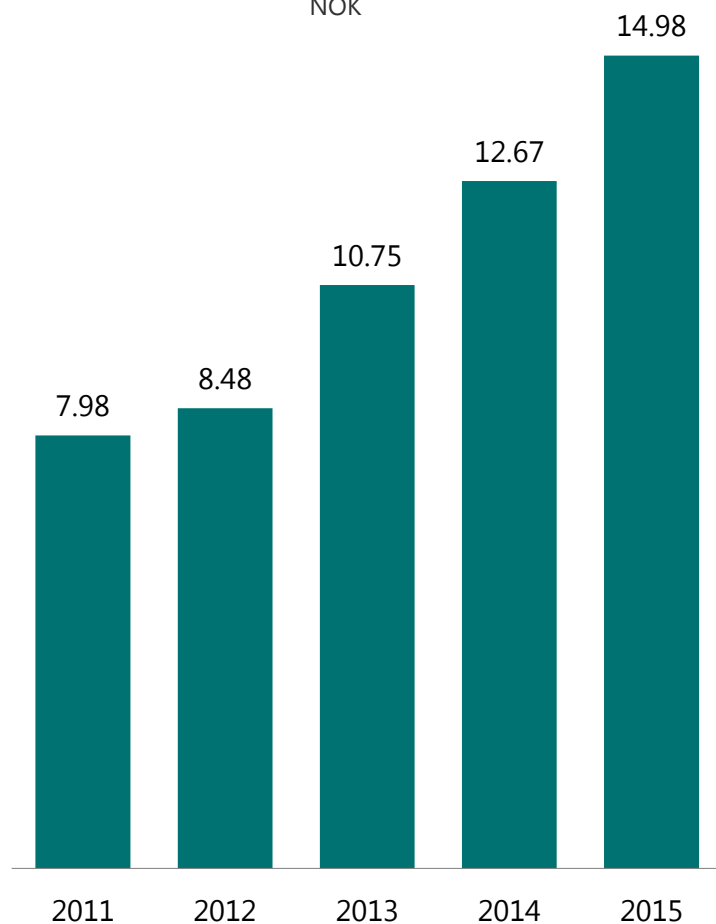
Per cent



Earnings and dividend per share

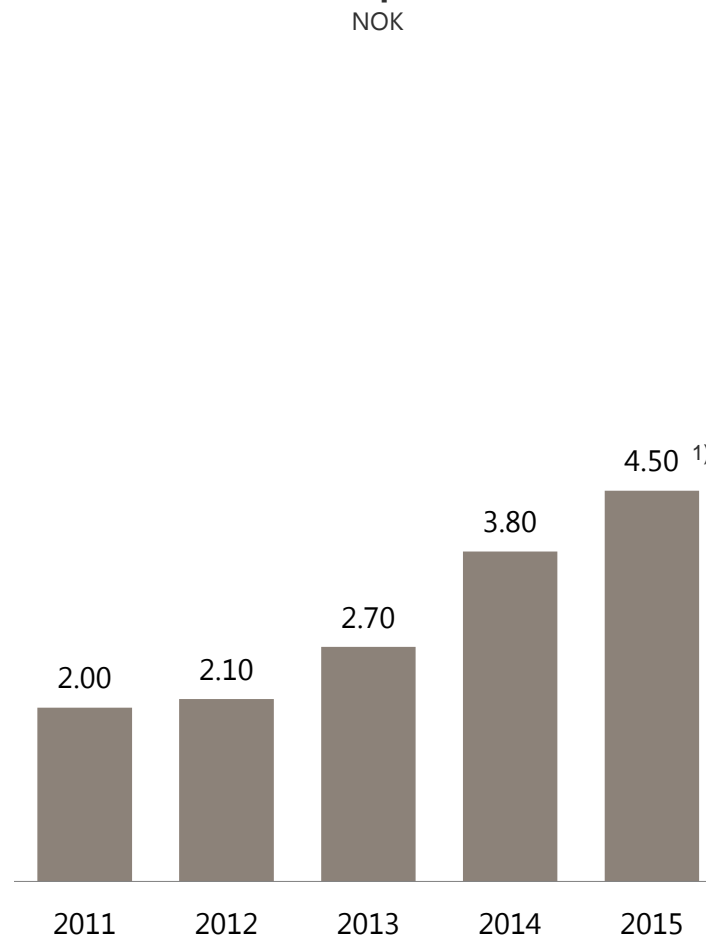
Earnings per share

NOK



Dividend per share

NOK



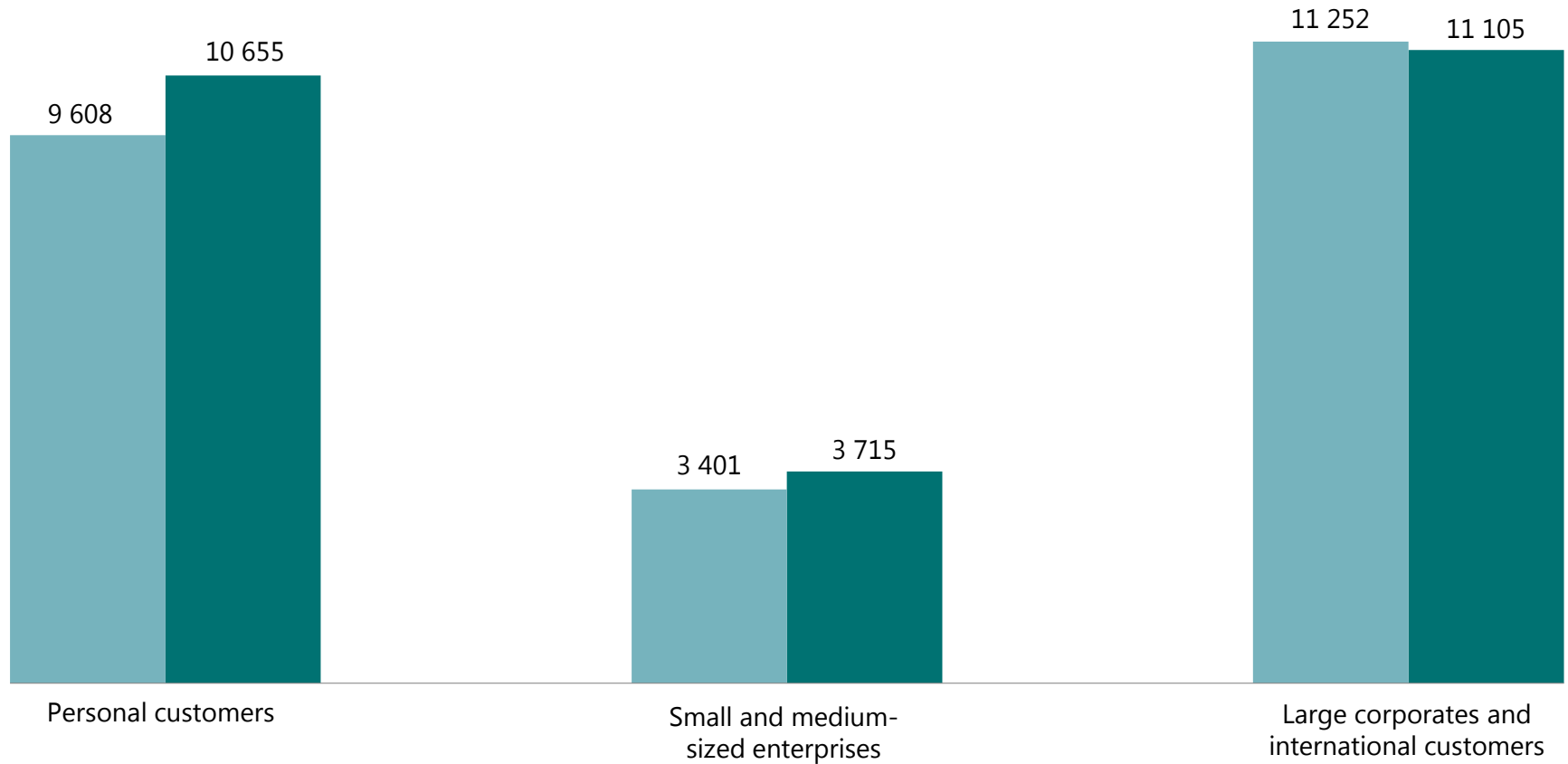
Customer segments

NOK million

Pre-tax operating profit after impairment

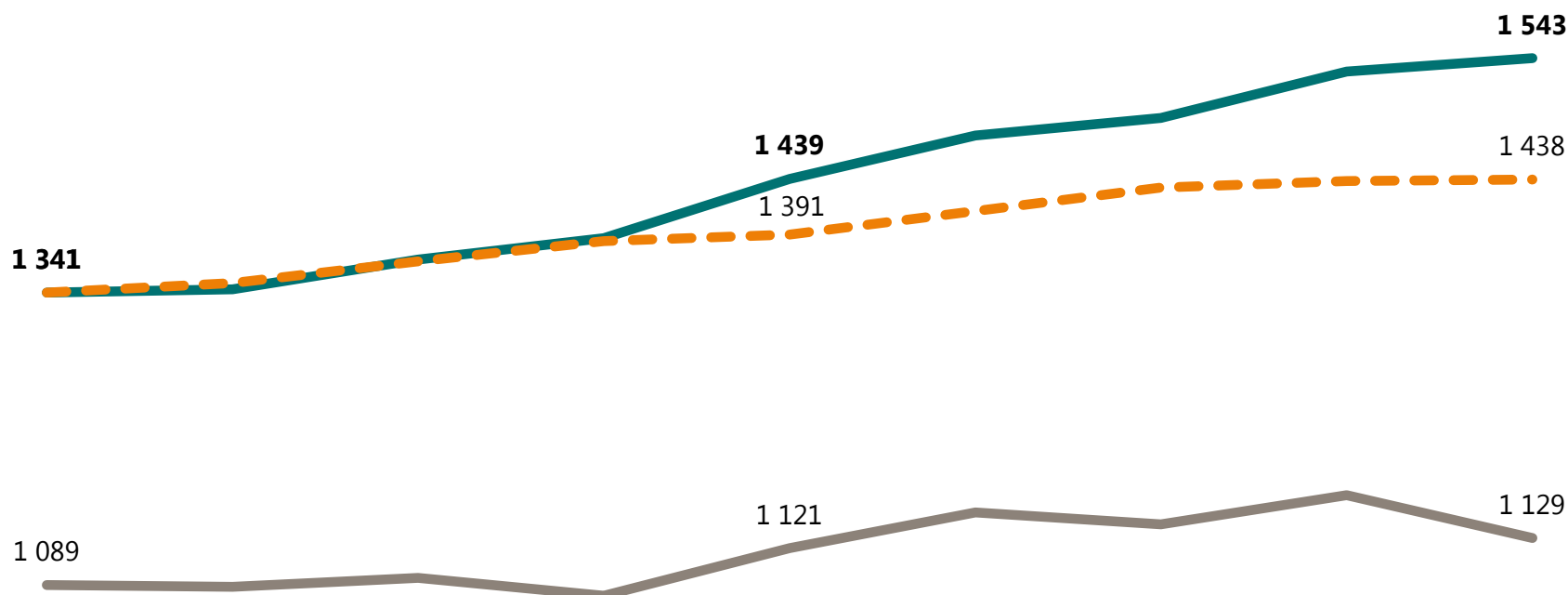
■ Full year 2015

■ Full year 2014



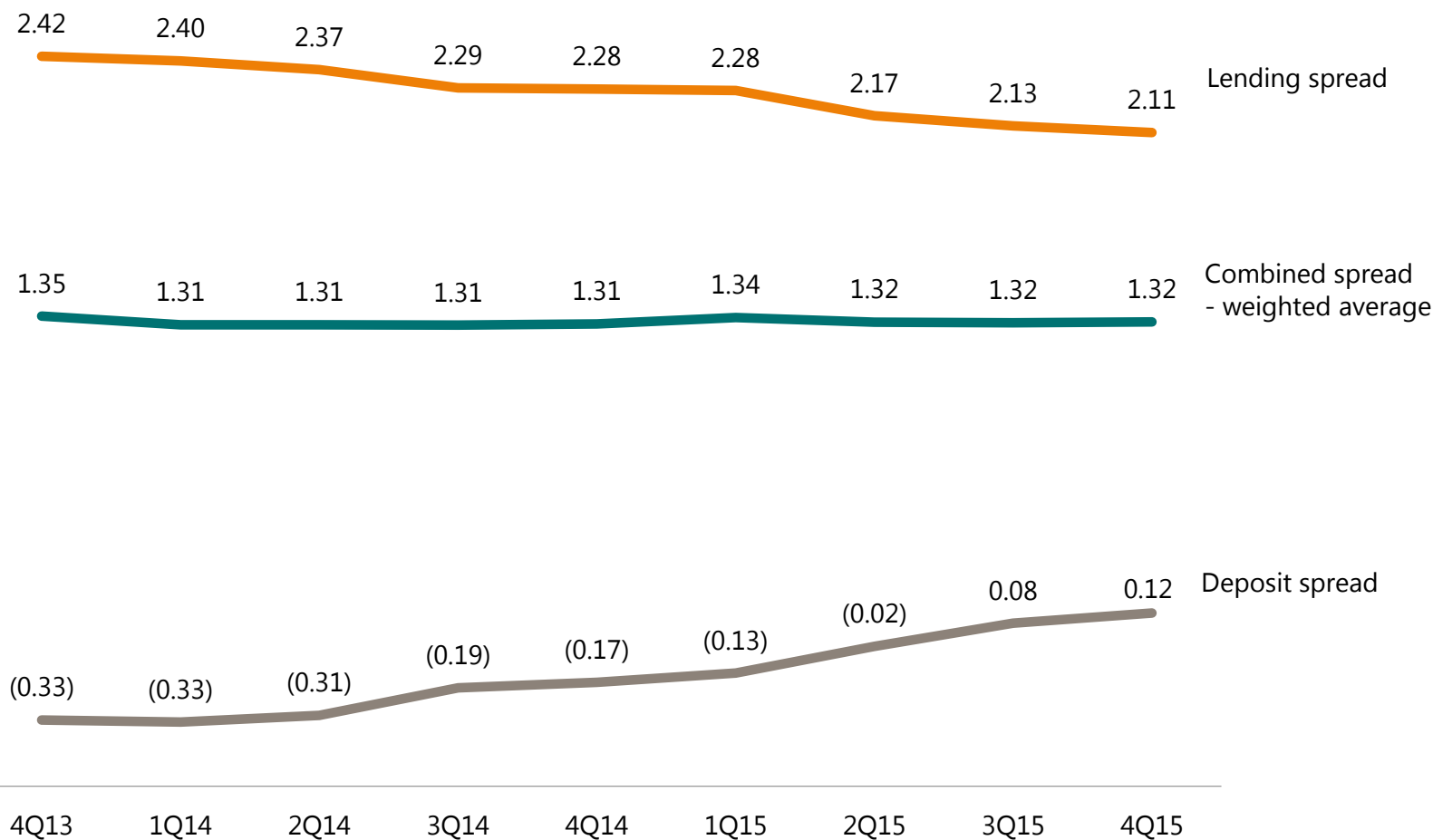
Development in loans and risk weighted assets

NOK billion



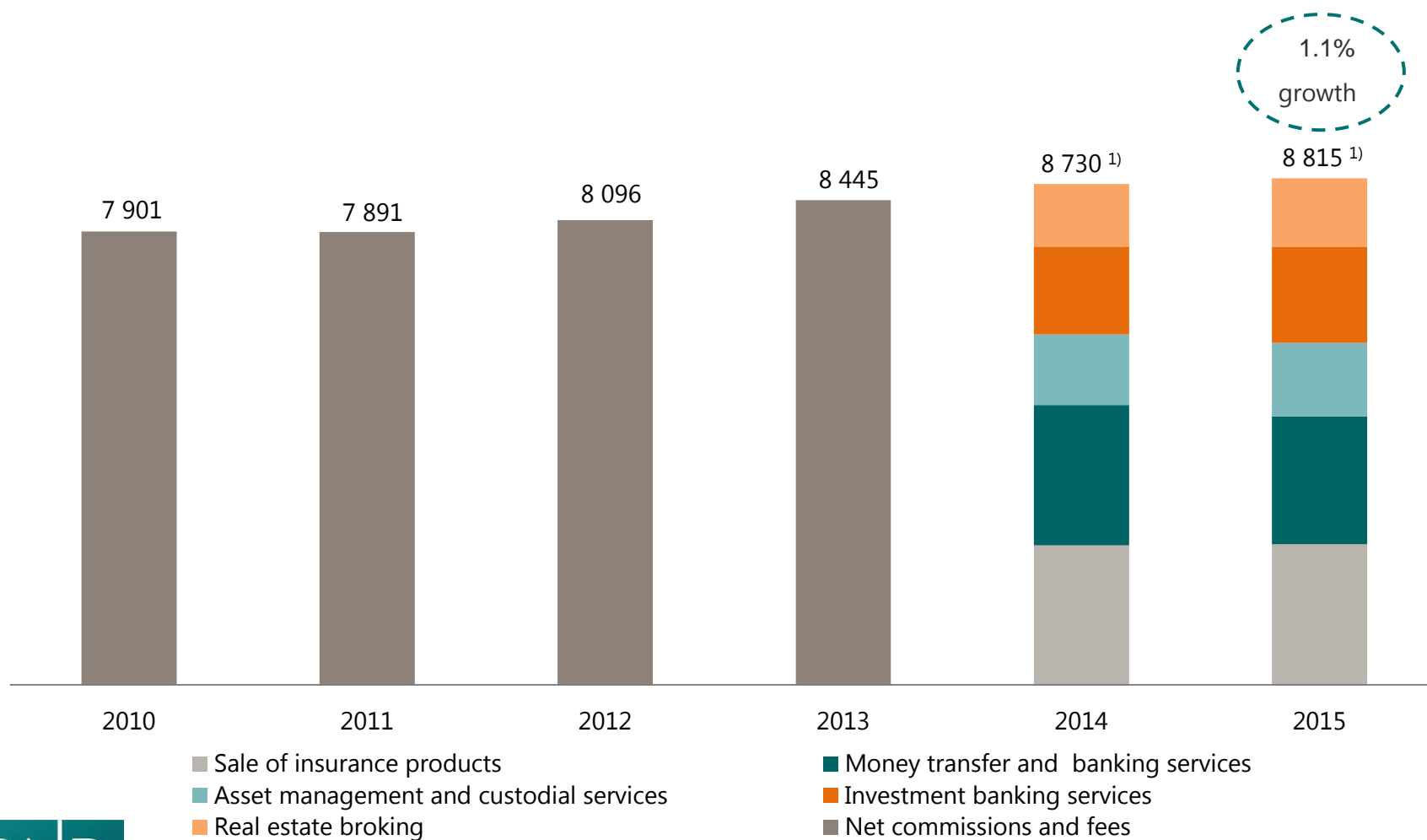
Development in average interest rate spreads – customer segments

Per cent



Development in commissions and fees

NOK million

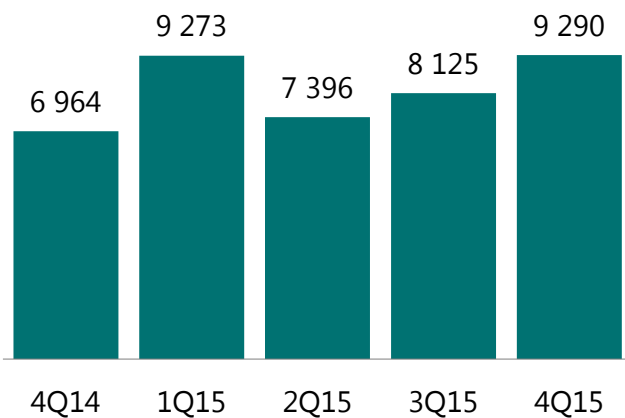


1) The figures for 2014 and 2015 are adjusted for income from public sector activities within life insurance that are in the process of being wound up

Profit development per quarter

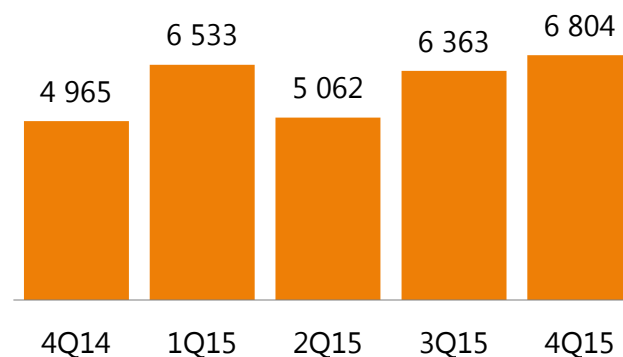
Pre-tax operating profit before impairment

NOK million



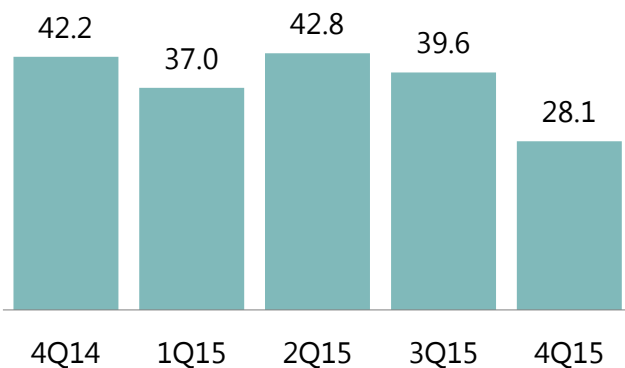
Profit for the period

NOK million



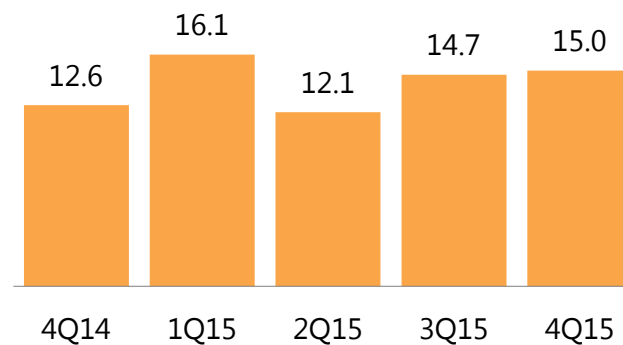
Cost/income ratio

Per cent



Return on equity ¹⁾

Per cent



1) Return on equity is calculated on the assumption that additional Tier 1 capital is classified as a liability

Income statement

Amounts in NOK million	4Q15	3Q15	2Q15	1Q15	4Q14	Full year 2015	Full year 2014
Net interest income	9 062	8 981	8 728	8 587	8 700	35 358	32 487
Net commissions and fees	2 082	2 080	2 489	2 212	2 313	8 862	8 969
Net gains on financial instruments at fair value	2 164	1 945	1 174	3 400	279	8 683	5 317
Net financial and risk result, DNB Livsforsikring	¹⁾ (662)	64	158	52	185	(390)	609
Net insurance result, DNB Forsikring	141	128	153	99	129	521	491
Other operating income	129	247	221	361	446	959	1 490
Net other operating income, total	3 853	4 463	4 194	6 124	3 352	18 635	16 877
Total income	12 915	13 444	12 923	14 711	12 052	53 993	49 363
Operating expenses	(5 437)	(5 103)	(5 312)	(5 215)	(5 045)	(21 068)	(20 452)
Restructuring costs and non-recurring effects	²⁾ (1 811)	(216)	(215)	(223)	(42)	1 157	(223)
Pre-tax operating profit before impairment	9 290	8 125	7 396	9 273	6 964	34 083	28 689
Net gains on fixed and intangible assets	(9)	(3)	45	12	42	45	52
Impairment of loans and guarantees	(1 420)	392	(667)	(575)	(821)	(2 270)	(1 639)
Pre-tax operating profit	7 860	8 514	6 774	8 710	6 184	31 858	27 102
Tax expense	³⁾ (1 084)	(2 136)	(1 695)	(2 130)	(1 236)	(7 045)	(6 463)
Profit from operations held for sale, after taxes	28	(14)	(17)	(47)	16	(51)	(22)
Profit for the period	6 804	6 363	5 062	6 533	4 965	24 762	20 617
Profit attributable to shareholders	6 679	6 238	4 952	6 519	4 965	24 388	20 617

1) Transfer from risk equalisation fund: (980)

2) Transition from defined-benefit to defined-contribution pension scheme: 1 969

3) Sale under the exemption model and lower tax rates

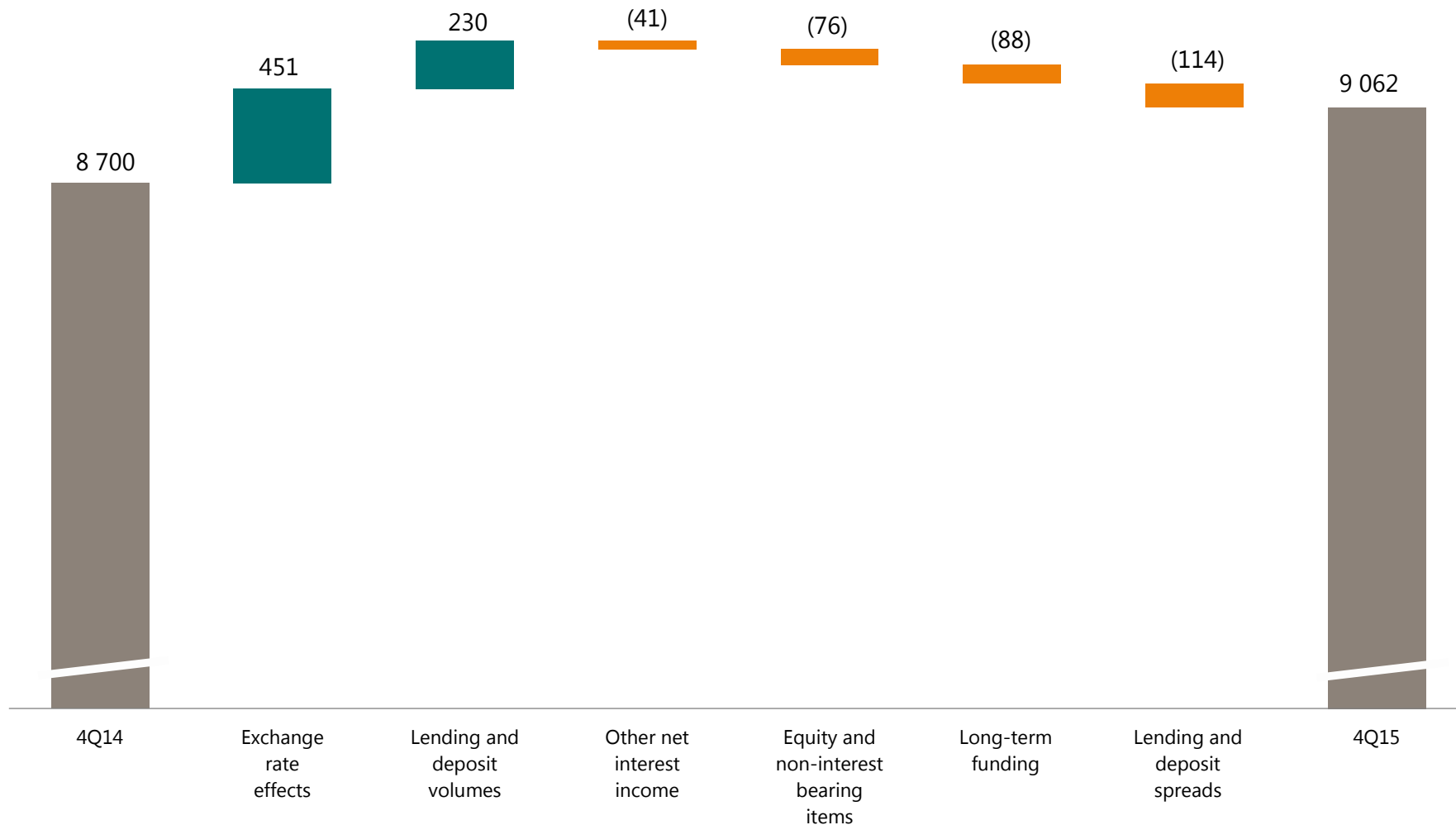
Net gains on financial instruments

Amounts in NOK million	4Q15	3Q15	4Q14	Change	
				3Q15 - 4Q15	4Q14 - 4Q15
Customer revenues in DNB Markets	628	508	549	121	80
Trading revenues in DNB Markets (excl. CVA/DVA)□	782	474	94	308	688
Credit spread effects on bonds in DNB Markets	(235)	(582)	(196)	347	(39)
Financial guarantees	187	228	232	(41)	(45)
Basis swaps	(4)	933	508	(937)	(512)
CVA/DVA	367	(414)	(489)	781	855
Other mark-to-market adjustments	439	798	(419)	(359)	858
Net gains on financial instruments at fair value	2 164	1 945	279	219	1 885

Changes in net interest income

NOK million

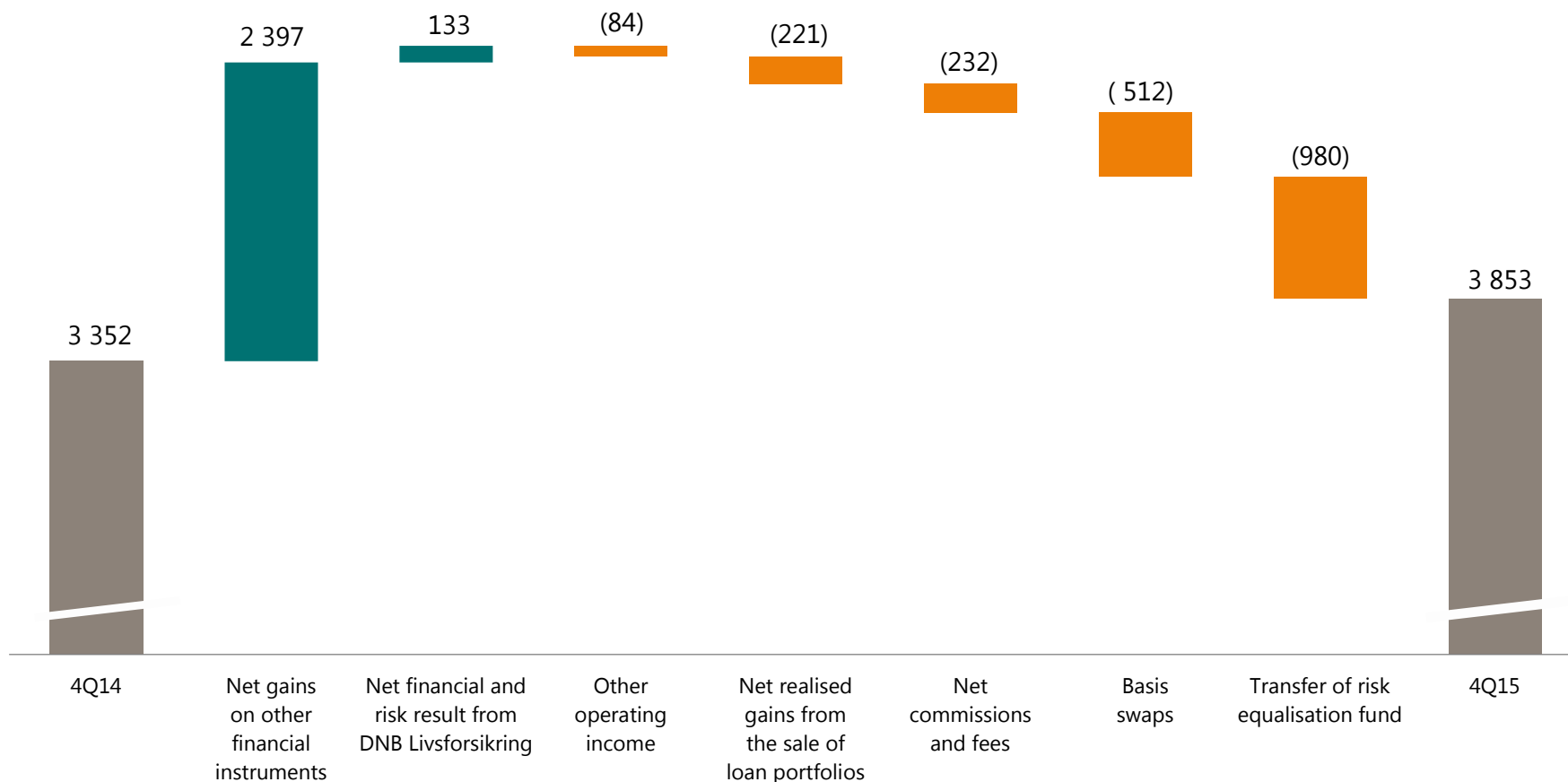
From 4th quarter 2014 to 4th quarter 2015



Changes in net other operating income

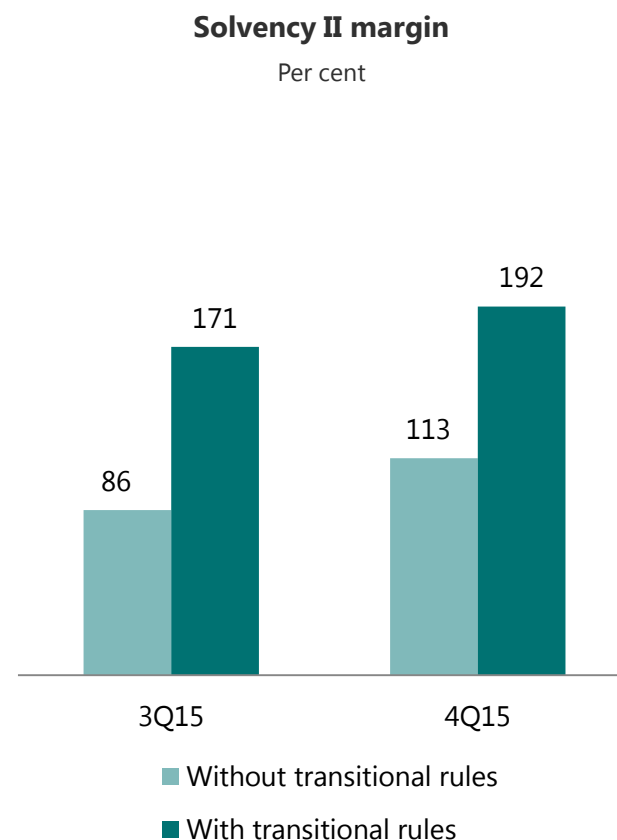
NOK million

From 4th quarter 2014 to 4th quarter 2015



DNB Livsforsikring – profit development and Solvency II

Amounts in NOK million	4Q15	4Q14	Full year 2015	Full year 2014
Upfront pricing of risk and guaranteed rate of return	169	202	658	751
Return on corporate portfolio	117	99	548	707
Owner's share of administration result	133	84	347	224
Owner's share of risk result	147	215	518	520
Transferred from/(to) security reserve	19	3	(0)	(18)
Owner's share of interest result	456	43	572	511
Pre-tax operating profit before provisions for higher life expectancy	1 041	646	2 643	2 696
Provisions for higher life expectancy ¹⁾	(440)	(124)	(820)	(852)
Transfer of risk equalisation fund	(980)	-	(980)	-
Pre-tax operating profit	(379)	522	843	1 844
Tax expense	730	65	692	(252)
Profit for the period	351	587	1 535	1 592



Changes in operating expenses – full year

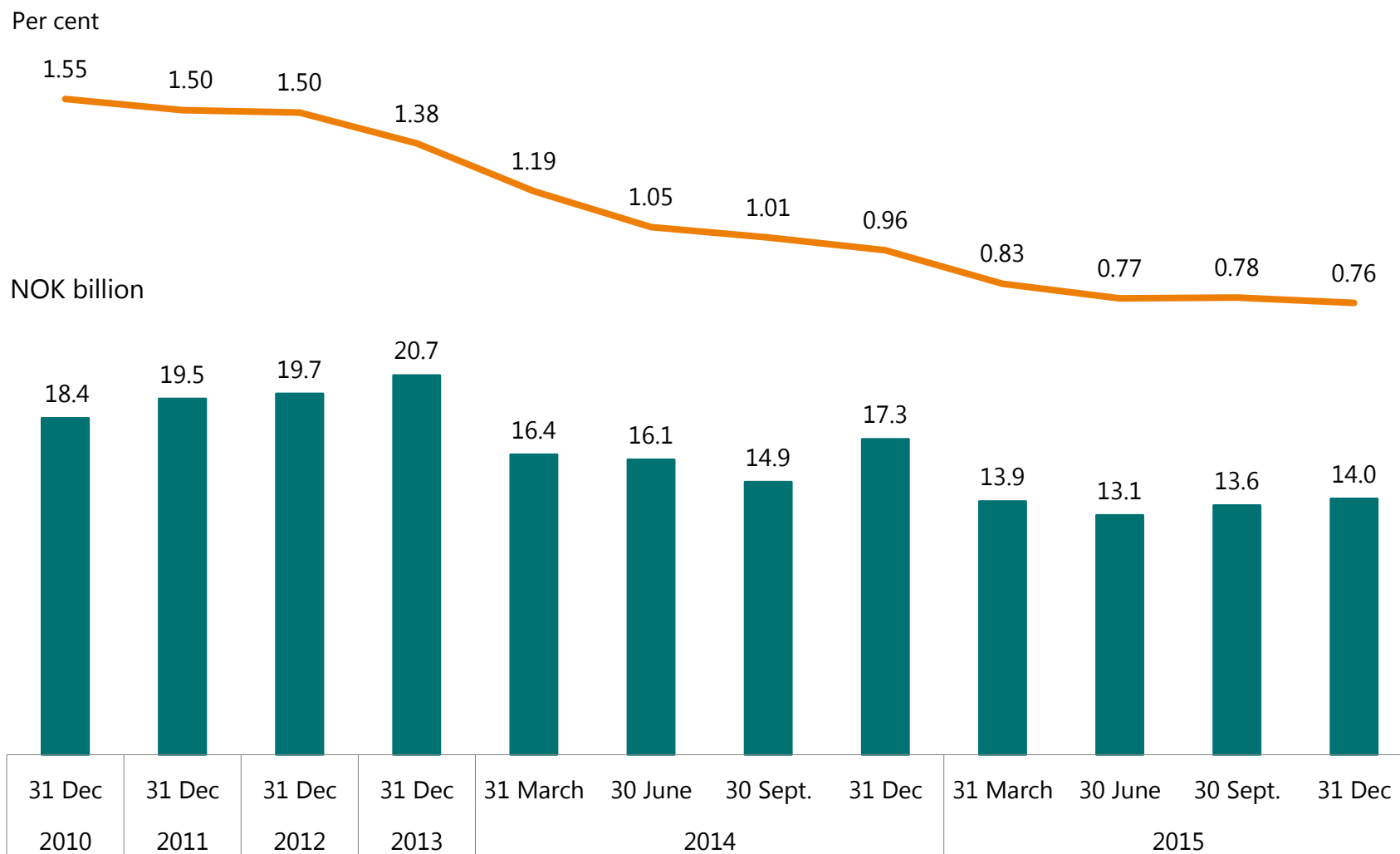
Amounts in NOK million	Full year 2015	Change	Full year 2014	Change in per cent
Total adjusted operating expenses	(21 068)	(616)	(20 452)	(3.0)
Of which:				
Exchange rate effects for units outside Norway		(507)		
Currency-adjusted operating expenses	(20 560)	(109)	(20 452)	(0.5)
Total adjusted operating expenses	(21 068)	(616)	(20 452)	
Income-related costs				
Ordinary depreciation on operational leasing		(81)		
Expenses directly related to operations				
Other costs		251		
Properties and premises		177		
Fees		(77)		
Pension expenses		(187)		
Salaries and other personnel expenses		(191)		
Exchange rate effects for units outside Norway		(507)		
Non-recurring effects	1 157	1 380	(223)	
Restructuring costs, employees	(390)	(150)	(239)	
Other restructuring costs and non-recurring effects ¹⁾	1 781	1 695	86	
IT restructuring	(234)	(164)	(70)	
Operating expenses	(19 910)	764	(20 675)	3.7

¹⁾ Primarily due to the transition from a defined-benefit pension scheme to a defined-contribution pension scheme

Impairment of loans and guarantees

Amounts in NOK million	4Q15	3Q15	2Q15	1Q15	4Q14	Full year 2015	Full year 2014
Personal customers	24	942	(58)	34	67	942	(118)
- Mortgage loans	116	10	17	81	141	223	129
- Consumer finance	(92)	932	(75)	(46)	(74)	719	(247)
Small and medium-sized enterprises	(341)	(129)	(284)	(308)	(450)	(1 062)	(838)
Large corporates and international customers	(686)	(527)	(425)	(256)	(496)	(1 895)	(1 024)
- Nordic Corporates Division	12	(6)	5	15	(333)	25	(370)
- International Corporates Division	(72)	(22)	(93)	39	(166)	(149)	(291)
- Shipping, Offshore and Logistics Division	(382)	(379)	(302)	(242)	21	(1 305)	(166)
- Energy Division	(173)	(88)	(43)	(12)	(5)	(317)	(31)
- Baltics and Poland	(58)	(12)	(47)	(50)	(1)	(168)	(124)
- Other units	(12)	(19)	56	(7)	(13)	18	(42)
Total individual impairment	(1 002)	285	(767)	(530)	(879)	(2 015)	(1 980)
Total collective impairment of loans	(418)	106	101	(44)	58	(255)	341
Impairment of loans and guarantees	(1 420)	392	(667)	(575)	(821)	(2 270)	(1 639)
Total impairment in relation to average volumes (annualised) ¹⁾	(0.37)	0.10	(0.18)	(0.16)	(0.23)	(0.15)	(0.12)

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

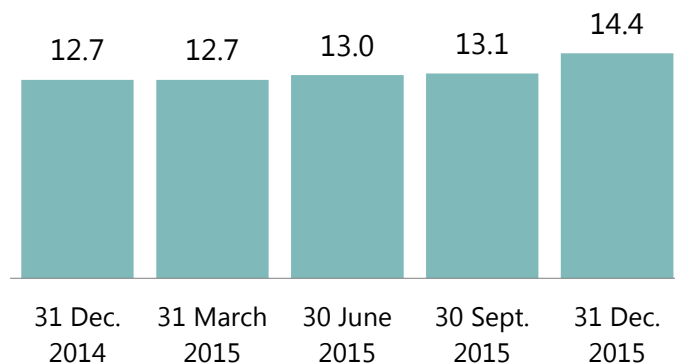
Amounts in NOK billion	DNB Group		DNB Bank ASA	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Deposits with central banks	19	59	16	54
Due from credit institutions	301	373	631	608
Loans to customers	1 543	1 439	706	723
Other assets	735	779	613	613
Total assets	2 599	2 649	1 965	1 998
Due to credit institutions	162	214	262	269
Deposits from customers	944	942	896	903
Short-term debt securities issued	160	207	160	207
Long-term debt securities issued	645	605	180	160
Other liabilities and provisions	498	523	315	332
Additional Tier 1 capital	8		8	
Other equity	182	159	143	128
Total liabilities and equity	2 599	2 649	1 965	1 998
Ratio of deposits to net loans (%)	61.2	65.4	127.1	124.8
Adjusted ratio of deposits to net loans (%) ¹⁾	60.5	63.5	125.5	121.0
Total combined assets	2 901	2 936	1 965	1 998
Currency-adjusted loans to customers	1 486		671	
Currency-adjusted deposits from customers	904		859	

1) Excluding short-term money market deposits

Common equity Tier 1 capital ratio ¹⁾

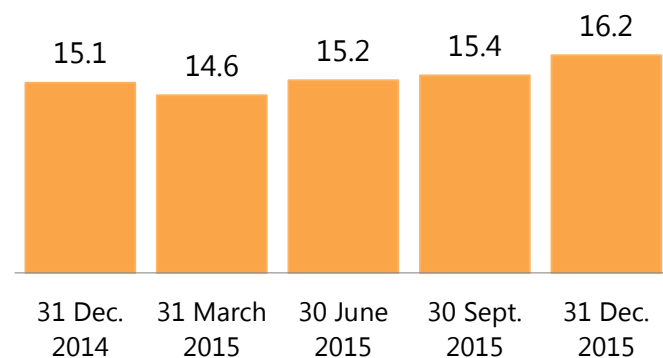
Transitional rules

Per cent



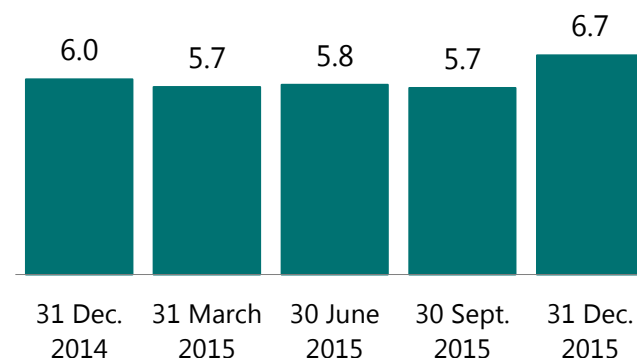
Future Basel III estimate ²⁾

Per cent



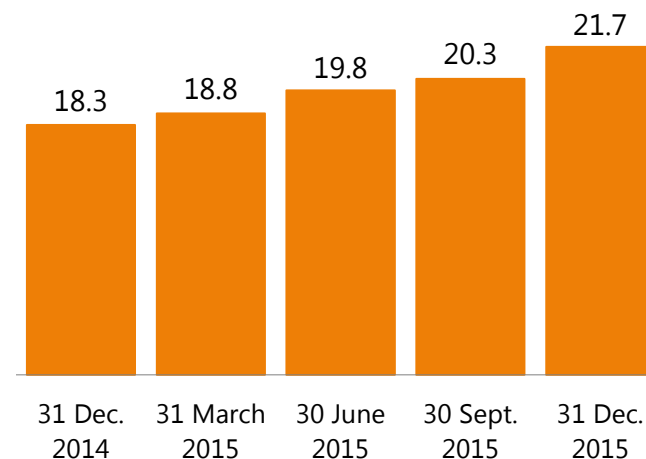
Leverage ratio ²⁾

Per cent



Estimate applying average weights used by Swedish banks ^{2) 3)}

Per cent

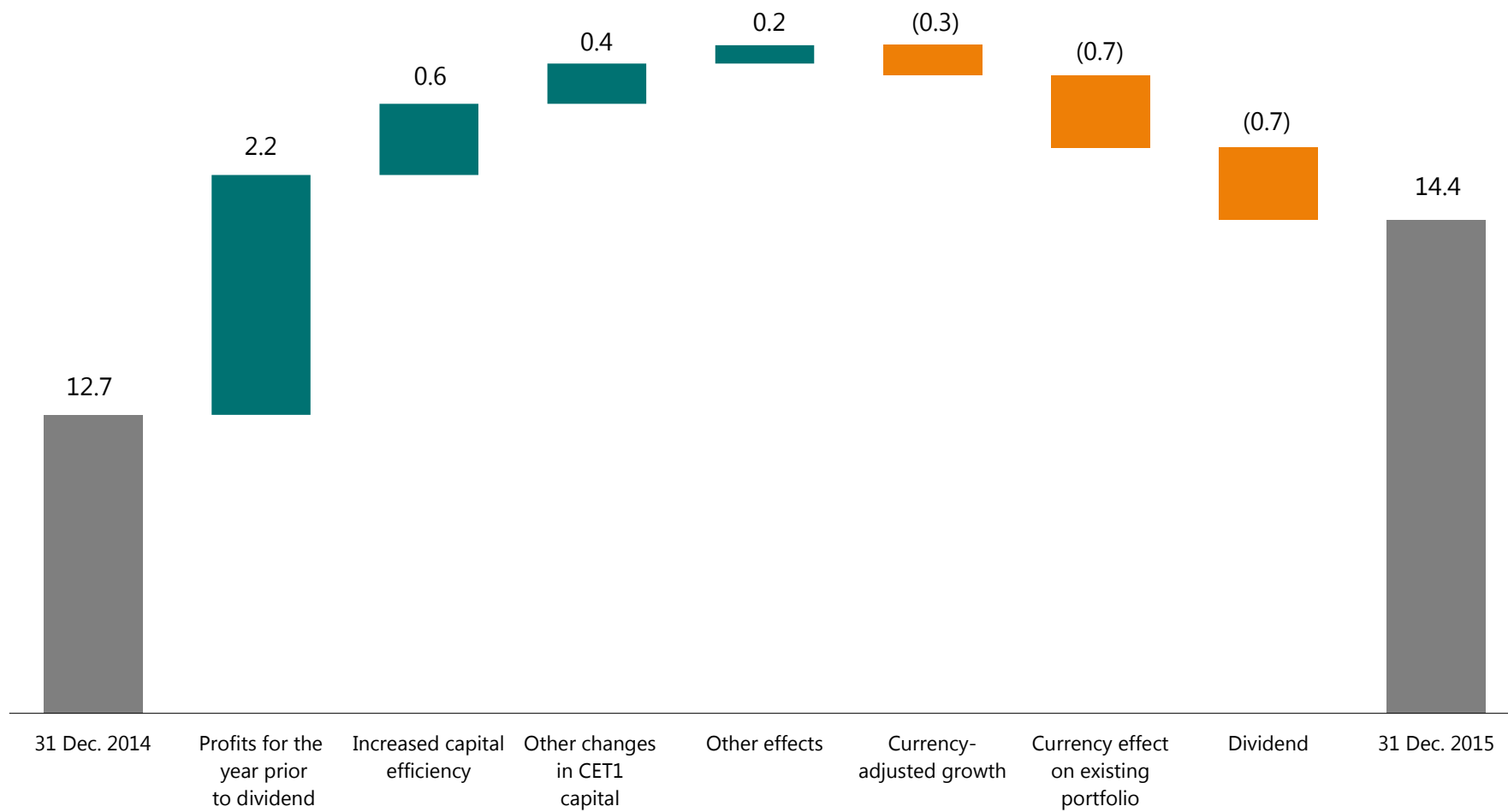


- 1) Common equity Tier 1 capital includes 50 per cent of interim profits in all quarters, apart from the leverage ratio figures. Annual figures are exclusive of dividend payments.
- 2) The calculations from end-June 2015 have been altered in accordance with the proposed new rules
- 3) Average weights 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 31 Dec. 2015



Financial ambitions 2016-2018

> 12%
ROE

Overriding target

< 40%
C/I ratio ¹⁾

Key performance indicator



~15.5% CET1 ²⁾ in 2017

Requirement including
management buffer

> 50% dividend

When the capital level is reached

Guiding

Stable volume-weighted spreads

Lending growth 2-3%

Stable risk-weighted assets

Minimum 3% annual growth in commissions
and fees

2016-2018: Normalised impairment level,
uncertain timing

Tax rate 24% in 2016-2017, and 21% in 2018

Q4

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

