THIRD QUARTER REPORT 2016

(Unaudited)

Q3

DNB GROUP

Creating value for customers, shareholders, employees and society at large.

Financial highlights

Income statement

DNB Group

Amounts in NOK million	3rd quarter 2016	3rd quarter 2015	January-September 2016	January-September 2015	Full year 2015
Net interest income	8 481	8 981	25 738	26 296	35 358
Net commissions and fees	*2 016*	*2 080*	*6 143*	*6 781*	*8 862*
Net gains on financial instruments at fair value	*1 411*	*1 945*	*4 824*	*6 519*	*8 683*
Net financial and risk result, DNB Livsforsikring	*154*	69	*432*	*292*	*(389)*
Net insurance result, DNB Forsikring	*148*	132	*467*	*401*	*534*
Other operating income	*200*	*247*	*1 957*	*830*	*959*
Net other operating income, total	3 929	4 472	13 823	14 823	18 648
Total income	12 409	13 453	39 561	41 119	54 006
Operating expenses	(5 042)	(5 103)	(15 481)	(15 630)	(21 068)
Restructuring costs and non-recurring effects	(1)	(216)	(658)	(654)	1 157
Pre-tax operating profit before impairment	7 366	8 134	23 421	24 834	34 096
Net gains on fixed and intangible assets	20	(3)	(7)	54	45
Impairment of loans and guarantees	(2 176)	392	(5 672)	(849)	(2 270)
Pre-tax operating profit	5 209	8 523	17 743	24 039	31 871
Tax expense	(1 130)	(2 139)	(3 850)	(5 971)	(7 048)
Profit from operations held for sale, after taxes	1	(14)	(22)	(79)	(51)
Profit for the period	**4 080**	**6 370**	**13 871**	**17 989**	**24 772**

Balance sheet

Amounts in NOK million	30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
Total assets	2 651 484	2 598 530	2 743 717
Loans to customers	1 484 756	1 542 744	1 531 237
Deposits from customers	917 952	944 428	970 023
Total equity	193 935	190 425	182 257
Average total assets	2 879 524	2 946 119	2 910 636
Total combined assets	2 920 334	2 900 714	3 032 865

Key figures

	3rd quarter 2016	3rd quarter 2015	January-September 2016	January-September 2015	Full year 2015
Return on equity, annualised (per cent)	8.5	14.7	9.9	14.3	14.5
Earnings per share (NOK)	2.43	3.83	8.30	10.88	14.98
Combined weighted total average spread for lending and deposits (per cent) [1) 2)]	1.30	1.32	1.33	1.33	1.33
Cost/income ratio (per cent)	40.6	39.6	40.8	39.6	36.9
Impairment relative to average net loans to customers, annualised (per cent) [1)]	(0.56)	0.10	(0.49)	(0.08)	(0.15)
Common equity Tier 1 capital ratio, transitional rules, at end of period (per cent) [3)]	15.7	13.1	15.7	13.1	14.4
Tier 1 capital ratio, transitional rules, at end of period (per cent) [3)]	16.8	14.0	16.8	14.0	15.3
Capital ratio, transitional rules, at end of period (per cent) [3)]	18.6	16.3	18.6	16.3	17.8
Share price at end of period (NOK)	104.70	110.70	104.70	110.70	109.80
Price/book value	0.93	1.04	0.93	1.04	0.98
Dividend per share (NOK)					4.5
Score from RepTrak's reputation survey in Norway (points)	67.1	71.1	67.1	71.1	
Customer satisfaction index, CSI, in Norway (score)	72.4	75.1	71.1	74.1	73.9

1) *Includes assets and liabilities in the Baltics, reclassified as held for sale in August 2016.*
2) *As from the first quarter of 2016, interest rate spreads are based on customer segments. Figures for previous periods have been restated accordingly.*
3) *Including 50 per cent of profit for the period, except for the full year figures.*

For additional key figures and definitions, please refer to pages 33-34.

Cover photo: The seafood industry is Norway's second largest export industry and one of DNB's international priority areas. DNB is probably the world's largest seafood bank. Photo: Johnér.

Third quarter report 2016

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.

Directors' report

Third quarter financial performance

DNB recorded profits of NOK 4 080 million in the third quarter of 2016, a reduction of NOK 2 290 million from the third quarter of 2015. The decline in profits was primarily a result of higher impairment losses on loans and guarantees, though there was also a negative effect on profits from basis swaps.

The common equity Tier 1 capital ratio, calculated according to the transitional rules, was 15.7 per cent in the third quarter of 2016, up from 13.1 per cent a year earlier. The build-up of common equity Tier 1 capital, primarily through profits generated during the period, accounted for approximately half of this increase. In addition, a reduction in risk-weighted assets through a number of capital-efficiency measures had a positive effect, while new consolidation rules for insurance operations gave an increase in the capital ratio of approximately 40 basis points. The common equity Tier 1 capital ratio increased by 0.5 percentage points from the second quarter of 2016, which mainly reflected the positive effect of exchange rate movements and a reduction in risk-weighted assets in the large corporate segment. The leverage ratio for the Group was 6.9 per cent in the third quarter of 2016, up from 6.0 per cent a year earlier.

Return on equity was 8.5 per cent in the quarter, which was 6.2 percentage points lower than in the year-earlier period. The reduction was a result of a 9 per cent increase in average equity and a decline in profits compared with the third quarter of 2015.

Net interest income was reduced by NOK 500 million from the third quarter of 2015, reflecting lower lending volumes, narrower spreads and higher long-term funding costs. Lower lending volume also contributed to a reduction in amortisation and fee income of NOK 199 million compared with the third quarter of 2015.

Net other operating income was NOK 3 929 million, down NOK 544 million from the same quarter in 2015. Increased income from customer and trading activities in DNB Markets and a positive effect from the value adjustment of the derivatives portfolio (CVA/DVA/FVA) were offset by negative mark-to-market adjustments related to basis swaps. Net commissions and fees were down NOK 64 million or 3.1 per cent compared with the year-earlier period. This was mainly due to a gradual reduction in provision income from defined-benefit pension products in DNB Livsforsikring as pension schemes are converted into defined-contribution schemes.

Total operating expenses were down NOK 276 million or 5.2 per cent from the third quarter of 2015, mainly due to lower IT and restructuring costs. The cost/income ratio for the quarter was 40.6 per cent.

Impairment losses on loans and guarantees totalled NOK 2 176 million for the quarter. Excluding the sale of portfolios to Lindorff Capital AS in the third quarter of 2015, impairment losses were up NOK 1 501 million. There was a rise in both individual and collective impairment losses, reflecting less favourable economic conditions in oil-related industries. The other credit portfolios are still of high quality and the difficult situation in the oil-related industries has had no material impact on these portfolios.

Important events in the third quarter

In July, the European Banking Authority, EBA, launched its annual stress test based on year-end figures for 2015. On several occasions, DNB has been characterised as one of the world's best capitalised banks. A new example of this was presented in the third quarter, when the EBA conducted a stress test showing that DNB had the greatest resilience to economic crises among the tested banks.

On 25 August 2016, DNB and Nordea announced an agreement to combine their operations in Estonia, Latvia and Lithuania, aiming to create a leading bank in the Baltics with strong Nordic roots. The new bank will have scale, a stronger geographic presence and a broader product offering, making it well prepared to meet the future. The transaction is conditional upon regulatory approvals and other conditions, and is expected to close in the second quarter of 2017. Nordea and DNB will have equal voting rights in the combined bank, while having different economic ownership levels. At end-September 2016, all assets and liabilities related to DNB's Baltic operations were presented as held for sale, while there were no changes in the presentation in the income statement. The capital adequacy reporting was not affected. No impairment losses were recognised in the income statement following the reclassification. The Baltic subsidiaries are part of DNB's large corporates and international customers segment. Following the completion of the transaction, DNB's ownership will be presented on one line in the financial statement according to the equity method.

In August, DNB set aside a special salary pool of NOK 17 million to equalise salary differences between men and women in cases where the gap is solely a consequence of gender. The measure was well received by the Norwegian Minister of Trade and Industry, who hopes that this will have positive trickle-down effects in the business community.

In mid-August, the Norwegian Labour Inspection Authority published a report showing certain violations of working time regulations on the part of DNB's sub-supplier of IT services, the Indian Tata Consultancy Services (TCS). As principal, DNB is responsible for ensuring compliance with the rules. TCS has implemented measures to ensure better follow-up of working hours.

In late September, DNB launched the concept 'Guide to the Internet' to make more people, especially senior citizens, feel confident when using digital banking services and enjoy using the Internet. DNB wishes to mobilise the whole of digital Norway through social media to collect ideas for the guide, which will be a source of tips and tricks for a simpler digital future.

Vipps for companies was launched in early August. This solution will be a source of income for DNB once more than two million individual Vipps users are able to use the app to make payments to DNB's corporate customers for physical and online purchases. A number of large companies started using Vipps in the course of the third quarter, including Kolonial.no, NSB and Ruter. In addition, DNB and Telenor have entered into an agreement on the development and use of Vipps.

In September, it was decided that the in-store banking outlet concept, which is a cooperation between DNB and NorgesGruppen, will be terminated as of 1 June 2017. In lieu of this, DNB and NorgesGruppen have started preparing for a cooperation within mobile payments. The Group's cooperation with Norway Post on in-store postal outlets will still ensure DNB's customers the best access to manual banking services in the market, including cash services.

According to an analysis published by AksjeNorge, DNB was the Norwegian company that attracted the largest number of new private shareholders in the third quarter compared with the corresponding period in 2015.

Towards the end of September, DNB announced that the bank will adopt the UN sustainability development goals 2030, and that corporate social responsibility and sustainability will be an integral part of the bank's daily operations. DNB wishes to integrate social responsibility in its business operations in line with greater expectations from customers, owners, employees and society at large.

In the wake of the Panama Papers case, the law firm Hjort was engaged to make an external review of DNB's involvement in the matters described in the material. The report was presented in mid-September and concluded that DNB had not violated the law. On the other hand, DNB's internal guidelines had been breached. A report presented by Ipsos in October shows that DNB's reputation is deteriorating and is strongly affected by this matter. The reputation survey was undertaken in April, just after the Panama Papers case became known. According to a more recent survey (RepTrak), DNB's reputation improved notably in the third quarter from the low level in the second quarter, indicating that customers are regaining trust in the bank.

In June, the Norwegian Consumer Council issued a writ of summons against DNB, claiming that the management of the DNB Norge mutual funds was not active enough. In September, DNB presented its reply to the Oslo District Court, documenting that the funds have been actively managed and generated significant values for the fund holders. In the opinion of the bank, there is thus no basis for compensation to mutual fund customers.

In early September, Kjersti Haugland was appointed new chief economist in DNB, succeeding Øystein Dørum. She will assume the position in March 2017.

On 17 October 2016, changes were made to DNB's group management team. In accordance with his pension agreement, Bjørn Erik Næss will step down as CFO on 1 March 2017. He will be succeeded by Kjerstin Braathen, former head of Corporate Banking Norway. Benedicte Schilbred Fasmer has become new head of Corporate Banking Norway. In addition, Rune Garborg was appointed head of a new business area entitled Vipps and Payments and thus became a new member of the group management team. The Products business area will be dissolved.

Financial performance in the first three quarters

DNB recorded profits of NOK 13 871 million in the first three quarters of 2016, down NOK 4 118 million from the corresponding period in 2015. Adjusted for basis swaps, profits were down NOK 2 279 million.

Net interest income was reduced by NOK 558 million, or 2.1 per cent. Volumes were up, but average lending spreads contracted compared with the previous year. There was an average increase in the healthy loan portfolio of 0.8 per cent parallel to a 2.2 per cent increase in average deposit volumes compared with the first three quarters of 2015, which was partly due to exchange rate movements. Average lending spreads for the customer segments narrowed by 0.15 percentage points, while deposit spreads widened by 0.24 percentage points.

Net other operating income decreased by NOK 1 000 million from the first three quarters of 2015. Adjusted for basis swaps and non-recurring effects relating to the sale of DNB's holding in Visa Europe, net other operating income increased by NOK 390 million. Net commissions and fees were down NOK 637 million compared with the first three quarters of 2015, mainly due to high profits from a few investment banking transactions in the previous year, and a reduction in income from pension products.

Total operating expenses decreased by NOK 145 million from the first three quarters of 2015. Adjusted for currency effects and restructuring costs, operating expenses were reduced by NOK 325 million during the same period.

Impairment losses on loans and guarantees totalled NOK 5 672 million in the first three quarters of 2016, up NOK 3 756 million, adjusted for the sale of non-performing loan portfolios in the corresponding period in 2015. There was an increase in individual impairment losses of NOK 1 621 million, adjusted for the sale of loan portfolios in the corresponding period in 2015, primarily stemming from the large corporate segment. There was an increase in collective impairment losses, reflecting less favourable economic conditions in oil-related industries and consequently negative migration in these portfolios.

Third quarter income statement – main items

Net interest income

	3rd quarter		3rd quarter
Amounts in NOK million	2016	Change	2015
Net interest income	8 481	(500)	8 981
Exchange rate movements		56	
Other net interest income		(14)	
Long-term funding costs		(100)	
Lending and deposit volumes, customer segments		(116)	
Lending and deposit spreads, customer segments		(127)	
Amortisation effects and fees		(199)	

Net interest income declined by NOK 500 million from the third quarter of 2015. For the customer segments, average lending spreads contracted by 0.1 percentage points, while deposit spreads widened by 0.1 percentage points. Volume-weighted spreads for the customer segments contracted by 0.02 percentage points compared with the same period in 2015. There was an average decrease of NOK 6 billion or 0.4 per cent in the healthy loan portfolio compared with the third quarter of 2015. Lower lending volume also contributed to a reduction in amortisation and fee income of NOK 199 million. During the same period, deposits were down NOK 11 billion or 1.1 per cent. Adjusted for exchange rate movements, loans were reduced by 1.1 per cent and deposits by 0.9 per cent.

Net other operating income

	3rd quarter		3rd quarter
Amounts in NOK million	2016	Change	2015
Net other operating income	3 929	(544)	4 472
Net gains on other financial instruments		842	
Other operating income		117	
Net insurance result from DNB Livsforsikring		85	
Net commissions and fees		(64)	
Net gains on investment property		(148)	
Basis swaps		(1 377)	

Net other operating income was down NOK 544 million or 12.2 per cent from the third quarter of 2015. Adjusted for basis swaps, net other operating income rose by NOK 834 million. Increased income from customer and trading activities in DNB Markets and a positive effect from the value adjustment of the derivatives portfolio (CVA/DVA/FVA) were offset by negative mark-to-market adjustments related to basis swaps.

Net commissions and fees were down NOK 64 million or 3.1 per cent compared with the year-earlier period. This was mainly due to a gradual reduction in provision income from defined-benefit pension products in DNB Livsforsikring as pension schemes are converted into defined-contribution schemes.

Operating expenses

Amounts in NOK million	3rd quarter 2016	Change	3rd quarter 2015
Operating expenses excluding non-recurring effects	(5 042)	61	(5 103)
Of which:			
Exchange rate effects for units outside Norway		6	
Currency-adjusted operating expenses	(5 049)	55	(5 103)
Operating expenses excluding non-recurring effects	(5 042)	61	(5 103)
Income-related costs			
Ordinary depreciation on operational leasing		(5)	
Expenses related to operations			
Fees		(55)	
Pension expenses		(35)	
Marketing		23	
Postage/freight charges/office supplies		23	
IT costs		47	
Other costs		63	
Non-recurring effects	(1)	215	(216)
Restructuring costs - employees	(22)	42	(63)
IT restructuring		56	(56)
Other restructuring costs and non-recurring effects	21	118	(97)
Operating expenses	(5 043)	276	(5 319)

Total operating expenses were reduced by NOK 276 million compared with the third quarter of 2015, mainly due to lower IT and restructuring costs. Adjusted for currency-and non-recurring effects, operating expenses were NOK 55 million lower than in the year-earlier period. The cost/income ratio for the quarter was 40.6 per cent, up from 39.6 per cent in the corresponding quarter in 2015.

Impairment of loans and guarantees

Impairment losses on loans and guarantees totalled NOK 2 176 million in the third quarter, of which collective impairment losses represented 27 per cent. Individual impairment losses, excluding the sale of portfolios, were twice as high as in the third quarter of 2015. The increase was related to shipping, offshore and energy in the large corporate and international customers segment. The rise in collective impairment reflects both less favourable economic conditions in these industries and negative migration in related portfolios.

Net non-performing and doubtful loans and guarantees increased by NOK 9.0 billion from end-September 2015, totalling NOK 22.6 billion at end-September 2016. This represented 1.32 per cent of the loan portfolio, up from 0.78 per cent at end-September 2015. The increase mainly stemmed from offshore and energy-related segments. There are no signs of negative spill-over effects from the situation in the oil-related industries in the other credit portfolios.

Taxes

The DNB Group's tax expense for the third quarter of 2016 is estimated at NOK 1 130 million, or 21.7 per cent of pre-tax operating profits.

Financial performance, segments

Financial governance in DNB is adapted to the different customer segments. Reported figures reflect total sales of products and services to the relevant segments.

Personal customers

Income statement in NOK million	3rd quarter 2016	3rd quarter 2015	Change NOK mill	Change %
Net interest income	3 303	3 445	(142)	(4.1)
Net other operating income	1 281	1 295	(14)	(1.1)
Total income	4 584	4 739	(156)	(3.3)
Operating expenses	(2 002)	(2 274)	273	12.0
Pre-tax operating profit before impairment	2 582	2 465	117	4.7
Net gains on fixed and intangible assets	(0)	(3)	2	
Impairment of loans and guarantees	(78)	963	(1 041)	
Pre-tax operating profit	2 503	3 425	(922)	(26.9)
Tax expense	(626)	(925)	299	32.3
Profit from operations held for sale, after taxes	0	2	(2)	
Profit for the period	1 878	2 503	(625)	(25.0)
Average balance sheet items in NOK billion				
Net loans to customers	706.9	697.2	9.7	1.4
Deposits from customers	407.9	390.4	17.6	4.5
Key figures in per cent				
Lending spread [1)]	1.73	2.01		
Deposit spread [1)]	0.34	0.10		
Return on allocated capital [2)]	18.8	30.0		
Cost/income ratio	43.7	48.0		
Ratio of deposits to loans	57.7	56.0		

1) *Calculated relative to the 3-month money market rate.*
2) *Calculated on the basis of allocated capital, corresponding to the external capital adequacy requirement which must be met by the DNB Group.*

Cost reductions compensated for lower net interest income during the period and contributed to a positive trend in profit before impairment compared with the third quarter of 2015. Net impairment losses on loans remained stable at a low level, but were up from the third quarter of 2015, which was characterised by large reversals.

Adjusted for a portfolio of fixed-rate loans sold from DNB Boligkreditt to DNB Livsforsikring in November 2015, average loans to customers were up 4.0 per cent from the third quarter of 2015. There was a 4.5 per cent rise in deposits during the same period.

Weighted average combined spreads contracted by 0.11 percentage points from the third quarter of 2015 and by 0.06 percentage points from the second quarter of 2016.

There was a stable level of net other operating income from the third quarter of 2015. Rising volumes helped ensure higher income from mutual fund products, while the level of income from payment transfers and real estate broking was maintained during the quarter. Lower interchange fees as of 1 September will have a negative impact on income.

Restructuring measures implemented thus far in 2016 have resulted in lower costs compared with the previous year.

Close to 95 per cent of loans to personal customers represent well-secured home mortgages entailing low risk. In the third quarter of 2016, net impairment losses on loans came to NOK 78 million, which was on a level with the second quarter of 2016. Impairment losses in the third quarter of 2015 reflected reversals of NOK 995 million related to a portfolio of non-performing consumer loans which was sold during the quarter.

The market share of credit to households stood at 25.1 per cent at end-August 2016, while the market share of total household savings was 31.8 per cent. DNB Eiendom had a market share of 18.4 per cent in the third quarter of 2016.

Customers are increasingly using digital services. During the third quarter, DNB launched multisigning on "my first card" and escrow accounts. In addition, a new and simplified credit life insurance product was introduced, which includes unemployment insurance.

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

	3rd quarter		Change	
Income statement in NOK million	2016	2015	NOK mill	%
Net interest income	1 590	1 551	39	2.5
Net other operating income	441	396	45	11.4
Total income	2 031	1 947	84	4.3
Operating expenses	(804)	(740)	(64)	(8.6)
Pre-tax operating profit before impairment	1 227	1 207	20	1.7
Net gains on fixed and intangible assets	0	(1)	1	
Impairment of loans and guarantees	(339)	(138)	(200)	
Profit from repossessed operations	(6)	(21)	16	
Pre-tax operating profit	883	1 047	(164)	(15.6)
Tax expense	(221)	(283)	62	21.9
Profit for the period	662	764	(102)	(13.3)
Average balance sheet items in NOK billion				
Net loans to customers	227.1	217.8	9.3	4.3
Deposits from customers	179.5	175.4	4.1	2.3
Key figures in per cent				
Lending spread [1)]	2.46	2.41		
Deposit spread [1)]	0.38	0.33		
Return on allocated capital [2)]	10.8	14.0		
Cost/income ratio	39.6	38.0		
Ratio of deposits to loans	79.0	80.5		

1) *Calculated relative to the 3-month money market rate.*
2) *Calculated on the basis of allocated capital, corresponding to the external capital adequacy requirement which must be met by the DNB Group.*

An increase in income from the third quarter of 2015 was counter-acted by higher operating expenses and impairment losses on loans, giving a decline in pre-tax profits.

Lending volume increased by 4.7 per cent for the year to date, and by 4.3 per cent on average from the third quarter of 2015. Average customer deposits increased by 2.3 per cent from the third quarter of 2015.

Rising loan volumes in combination with wider interest rate spreads ensured a healthy increase in net interest income compared with the third quarter of 2015.

The positive development in net other operating income primarily reflected higher income from cash management and increased activity within foreign exchange and interest rate hedging products, particularly towards the end of the quarter.

The increase in operating expenses from the third quarter of 2015 was mainly due to restructuring costs, increased IT develop-ment costs and higher costs from product suppliers as a result of a high level of activity. The underlying cost base remained at the same level as the year before.

Net impairment losses on loans totalled 0.59 per cent of net loans on an annual basis, up from 0.25 per cent in the third quarter of 2015. Impairment losses in the third quarter of 2016 stemmed primarily from one non-oil related exposure. There has been no material deterioration in the general quality of DNB's portfolio of loans to small and medium-sized corporate customers. Develop-ments in oil-related sectors and affected regions are closely monitored, and preventive measures are implemented to retain the level of quality.

DNB expects lending growth to small and medium-sized corporate customers to be on a level with the expected domestic credit growth to this customer segment.

Large corporates and international customers

	3rd quarter		Change	
Income statement in NOK million	2016	2015	NOK mill	%
Net interest income	3 508	3 908	(400)	(10.2)
Net other operating income	1 670	1 429	241	16.9
Total income	5 178	5 337	(159)	(3.0)
Operating expenses	(1 922)	(2 043)	120	5.9
Pre-tax operating profit before impairment	3 256	3 295	(39)	(1.2)
Net gains on fixed and intangible assets	19	1	17	
Impairment of loans and guarantees	(1 758)	(433)	(1 325)	
Profit from repossessed operations	4	1	4	
Pre-tax operating profit	1 521	2 863	(1 343)	(46.9)
Tax expense	(411)	(830)	420	50.6
Profit for the period	1 110	2 033	(923)	(45.4)
Average balance sheet items in NOK billion				
Net loans to customers	553.6	582.7	(29.1)	(5.0)
Deposits from customers	374.4	408.9	(34.5)	(8.4)
Key figures in per cent				
Lending spread [1)]	2.23	2.18		
Deposit spread [1)]	(0.07)	(0.06)		
Return on allocated capital [2)]	5.0	11.5		
Cost/income ratio	37.1	38.3		
Ratio of deposits to loans	67.6	70.2		

1) *Calculated relative to the 3-month money market rate.*
2) *Calculated on the basis of allocated capital, corresponding to the external capital adequacy requirement which must be met by the DNB Group.*

Reduced income due to lower volume, combined with higher impairment losses on loans, contributed to a decline in profits compared with the third quarter of 2015.

Lending volumes were down 5.0 per cent from the third quarter of 2015, and adjusted for exchange rate movements the underlying volume declined by 5.8 per cent. The reduction is a consequence of active portfolio management and restructuring of portfolios in shipping and oil and offshore-related segments. Customer deposits were down 8.4 per cent from the third quarter of 2015. Adjusted for exchange rate movements, deposits declined by 9.2 per cent.

Due to reduced volumes and declining interest rate levels, net interest income was down compared with the third quarter of 2015. Volume-weighted interest rate spreads widened by 4 basis points from the third quarter of 2015.

Other operating income was up from the third quarter of 2015, mainly reflecting gains on a profit-sharing agreement and increased income from assets under management. There was rising demand for currency and interest rate hedging products towards the end of the quarter. There was brisk activity within bond issues.

Operating expenses decreased by 5.9 per cent from the third quarter of 2015 and by 1.2 per cent from the second quarter of 2016. The number of full-time positions was reduced by 156 from end-September 2015. The reductions took place primarily in international operations.

Net impairment losses on loans and guarantees increased compared with the third quarter of 2015, mainly due to the exposure to oil-related industries and shipping markets. On an annual basis, net impairment represented 1.26 per cent of average loans, up 0.99 percentage points from the year-earlier period. There was a 0.53 percentage point rise in individual impairment losses, to 0.86 per cent, in the third quarter of 2016. Higher collective impairment losses accounted for the rest of the increase, reflecting weaker economic conditions in some industries than in the third quarter of 2015. Net non-performing and doubtful loans and guarantees amounted to NOK 17.0 billion at end-September 2016, compared with NOK 8.6 billion a year earlier.

DNB is operating in highly competitive markets, which are affected by different capital requirements for banks. In consequence of stricter capital requirements in Norway combined with expecta-tions of higher impairment losses, 2016 will be a challenging year for the large corporate segment in DNB. The main aim for the Large

Corporates and International business area is to strengthen profitability and contribute to fulfilling DNB's long-term ambitions. Interest rate spreads are expected to stabilise, and new transactions are expected to contribute positively in a longer-term perspective. DNB will focus on utilising in-depth industry expertise, offering a wide product range and up-to-date technological solutions to prioritised customers. Through close relations with leading companies, DNB is well-positioned to cover a wide range of the customers' financial needs and increase the contribution from non-lending products, such as investment banking, trade finance, leasing, factoring and defined-contribution pensions.

Trading

This segment comprises market making and other trading in foreign exchange, fixed-income, equity and commodity products, including the hedging of market risk inherent in customer transactions. Customer activities are supported by trading activities.

	3rd quarter		Change	
Income statement in NOK million	2016	2015	NOK mill	%
Net interest income	19	(106)	125	
Net other operating income	1 134	(342)	1 476	
Total income	1 153	(448)	1 601	
Operating expenses	(127)	(155)	28	18.1
Pre-tax operating profit	1 025	(604)	1 629	
Tax expense	(256)	157	(413)	
Profit for the period	769	(447)	1 216	
Key figures in per cent				
Return on allocated capital [1)]	42.7	(25.4)		

1) *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 strong rise in income in the third quarter of 2016 compared with the third quarter of 2015. Income from foreign exchange, fixed-income products, interest rates and credit spread effects related to the bond portfolio showed a particularly positive development.

Traditional pension products

This segment comprises the portfolio of traditional defined-benefit pension products in DNB Livsforsikring. DNB no longer offers such products to new customers.

	3rd quarter		Change	
Income statement in NOK million	2016	2015	NOK mill	%
Upfront pricing of risk and guaranteed rate of return	68	131	(63)	(48.2)
Owner's share of administration result	40	61	(21)	(34.8)
Owner's share of risk result	50	92	(42)	(45.6)
Owner's share of interest result	(66)	(107)	41	38.1
Return on corporate portfolio	96	(20)	116	
Pre-tax operating profit	188	158	30	19.1
Tax expense	(7)	84	(91)	
Profit for the period	181	242	(61)	(25.2)
Average balance sheet items in NOK billion				
Assets under management	203.7	199.2	4.5	2.3
Key figures in per cent				
Cost/income ratio	32.9	44.4		
Return on allocated capital [1)]	3.7	5.4		

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

Higher returns in the corporate portfolio, mainly reflecting rising values in Oslo Børs VPS Holding, were the main factor behind the increase in pre-tax profits from the third quarter of 2015. Lower income from upfront pricing in the third quarter of 2016 primarily related to the conversion from defined-benefit to defined-contribution pension schemes. The reduced risk result was a consequence of the winding-up of public sector operations and a weaker risk result related to disability pensions in the corporate market.

The prolonged low interest rate level could 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 at amortised cost, fixed-rate home mortgages and property investments. The structure of the portfolios will help ensure that returns will cover the guaranteed rate of return over the next years.

Each quarter, DNB Livsforsikring carries out a test to assess whether the company has adequate premium reserves. In the test, insurance provisions calculated on the basis of market rates and insurance liabilities calculated on the basis of the contracts' base rate (guaranteed rate of return) are compared. The test showed positive margins at end-September 2016.

In consequence of higher life expectancy, it will be necessary to strengthen the premium reserve for group pension insurance. At end-September 2016, reserves for higher life expectancy totalled NOK 10.3 billion, while the total required increase in reserves is estimated at NOK 11.4 billion. The reserves were increased by NOK 0.3 billion during the third quarter. The remaining required increase in reserves of NOK 1.1 billion will be financed during the period up to and including 2020. DNB will have to cover NOK 0.4 billion of this, which includes the discontinuation of profit sharing on paid-up policies and direct equity contributions within defined-benefit pensions. The remainder may be financed by the policy-holders' interest result, provided that the return is adequate to cover both the rate of return guaranteed in the contracts and the required increase in reserves for higher life expectancy. At end-September 2016, DNB Livsforsikring had already covered more than 90 per cent of the estimated required increase in reserves for higher life expectancy. This gives the company a sound basis for providing DNB with profits also in the remaining years in which reserves have to be strengthened.

The Solvency II directive stipulates solvency capital requirements. DNB Livsforsikring has been given permission to use the transitional rules for insurance provisions, which ensures a controlled and predictable implementation of Solvency II. The solvency margin, calculated according to the transitional rules, was 208 per cent as at 30 September 2016. Without the transitional rules, DNB Livsforsikring had a solvency margin of 119 per cent. At end-June 2016, the solvency margins were 202 per cent and 96 per cent, respectively. The significant strengthening of the company's solvency position without the transitional rules primarily reflected a rise in market rates during the quarter, especially short-term rates. In addition, the solvency capital requirement was reduced through a lower equity exposure, while profits generated in the third quarter also contributed to strengthening solvency capital.

Funding, liquidity and balance sheet

The short-term funding markets were generally sound for banks with high credit ratings in the third quarter of 2016. Longer maturities are still not as attractive, as US money market funds are adapting to new regulations which came into force on 14 October. DNB had ample access to short-term funding throughout the quarter.

The level of activity in the long-term funding markets was lower at the beginning of the quarter, which is normal due to the summer holidays. Activity picked up towards the end of August and into September, but once again slowed down towards the end of the quarter due to, among other things, concerns over profitability in European banks.

The nominal value of long-term debt securities issued by the Group was NOK 598 billion at end-September 2016 and NOK 603 billion a year earlier. The average remaining term to maturity for these debt securities was 3.9 years at end-September 2016, unchanged from a year earlier.

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 third quarter. At end-September 2016, the total LCR was 140 per cent.

Total combined assets in the DNB Group were NOK 2 920 billion, down from NOK 3 033 billion at end-September 2015. Total assets in the Group's balance sheet were NOK 2 651 billion as at 30 September 2016 and NOK 2 744 billion a year earlier. Of this, total assets in DNB Livsforsikring amounted to NOK 296 billion and NOK 282 billion, respectively.

In the DNB Bank Group, loans to customers decreased by NOK 65 billion or 4.2 per cent from end-September 2015. Customer deposits were down NOK 50.3 billion or 5.1 per cent during the same period. The reduction in both deposits and loans was mainly a reflection of the reclassification of DNB Baltics as held for sale. For the banking group the ratio of customer deposits to net loans to customers was down from 63.5 per cent at end-September 2015 to 62.8 per cent a year later. The Group's ambition is to have a ratio of customer deposits to net loans, for the banking group, of minimum 60 per cent.

Risk and capital adequacy

DNB quantifies risk by measuring risk-adjusted capital requirements. The capital requirement totalled NOK 73.3 billion at end-September 2016.

Developments in the risk-adjusted capital requirement

Amounts in NOK billion	30 Sept. 2016	30 June 2016	31 Dec. 2015	30 Sept. 2015
Credit risk	54.8	55.8	55.5	57.9
Market risk	7.0	7.2	7.1	8.4
Market risk in life insurance	5.7	9.3	8.3	12.1
Insurance risk	1.7	1.7	2.0	2.0
Operational risk	11.5	11.5	11.2	11.2
Business risk	7.3	7.3	7.1	7.1
Gross risk-adjusted capital requirement	87.9	92.7	91.2	98.7
Diversification effect [1)]	(14.7)	(15.9)	(15.5)	(16.9)
Net risk-adjusted capital requirement	73.3	76.8	75.7	81.8
Diversification effect in per cent of gross risk-adjusted capital requirement [1)]	16.7	17.1	17.0	17.2

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 decreased during the third quarter, mainly reflecting reduced risk in the life insurance company. There were several reasons for this: an increase in interest rates is positive for the life insurance business, buffers were strengthened and the market risk relating to equity investments was reduced. Market risk exposures remained low at end-September.

Credit risk also declined somewhat during the third quarter, reflecting a reduction in credit volumes in the large corporate portfolio. The strengthening of the Norwegian krone contributed to this development, as the credit exposures are partly denominated in USD or EUR. At the same time, the volume of mortgage loans continued to grow at a somewhat higher speed than expected.

Housing prices continued to increase, especially in and around Oslo. Somewhat higher activity in the housing market in Stavanger was also registered.

Overall, credit quality remained sound and stable. The economic downturn in oil-related industry segments is still challenging for several companies. The slowdown in business activity in these sectors led to several companies being restructured during the third quarter.

Calculated according to the transitional rules, risk-weighted assets were NOK 1 045 billion. The common equity Tier 1 capital ratio was 15.7 per cent, while the capital adequacy ratio was 18.6 per cent.

Finanstilsynet has finalised its Supervisory Review and Evaluation Process, SREP, for the DNB Group for 2016. The Pillar 2 requirement is unchanged at 1.5 per cent of risk-weighted assets and comes in addition to the minimum and combined buffer requirements under Pillar 1. The Pillar 2 requirement relates to risks not covered by Pillar 1 and must be met in its entirety with common equity Tier 1 capital. With effect from 1 October, the counter-cyclical buffer for DNB has been reduced by 30 basis points due to recognition of host countries' counter-cyclical buffer rates, reducing the required CET1 ratio to 14.7 per cent at year-end 2016. DNB had a CET1 ratio of 15.7 per cent at end-September 2016 and aims to have the same level at the end of 2016. The Group's management buffer at year-end 2016 is expected to be in line with the SREP for 2016, where Finanstilsynet advises DNB to have a management buffer of approximately 100 basis points.

New regulatory framework

Norwegian government proposes financial activities tax as from 2017

In the tax compromise reached by the Norwegian parliament (Stortinget) in the spring of 2016, the government was asked to present a special tax for the financial services industry to compensate for the fact that financial services are exempt from VAT. In the National Budget 2017, presented on 6 October, the government presented a proposal for how this special tax can be implemented.

The government proposes a simple form of financial activities tax comprising two elements. First, a 5 percentage point increase in the employer's national insurance contributions in the financial services industry will be introduced. Second, the corporate tax rate for this sector will be kept at the 2016 level. This means that financial enterprises are not encompassed by the general reduction in the tax on ordinary income from 25 to 24 per cent. The financial activities tax is to be paid by the companies in the finance and insurance sectors.

According to the government, it is reasonable to assume that the financial activity tax will gradually, in part or in full, be reflected in employees' salaries and in the prices of financial services. The final structure of the tax will be clarified when the Norwegian parliament adopts the National Budget in December.

Residential mortgage lending regulation

To contribute to a more sustainable development in household debt and in housing prices, the Ministry of Finance adopted a regulation in the summer of 2015 concerning new residential mortgages that initially was intended to apply till year-end 2016. According to the regulation, the loan-to-value ratio shall normally not exceed 85 per cent of the property value, the borrower must be able to withstand an interest rate increase of minimum 5 percentage points, and instalment payments are mandatory for loan-to-value ratios above 70 per cent.

Finanstilsynet finds that there is a need for continued regulation of banks' lending practices and recommends that the regulation be retained beyond 2016. Furthermore, a tightening of the regulation has been proposed in the form of mandatory instalment payments for all new loans with a loan-to-value ratio above 60 per cent and a new requirement limiting the borrower's total loans to five times gross annual income. Finanstilsynet also proposes that banks' access to grant loans that do not meet all the requirements of the regulation, be repealed or limited from the current 10 per cent to 4 per cent of total approved loans.

The Ministry of Finance has circulated Finanstilsynet's proposal for public consultation with a deadline of 24 October.

Stream of new EU legislation in the wake of Norway's endorsement of the European supervisory authorities

On 30 September, the EEA Joint Committee decided to include the regulations on the European supervisory authorities in the EEA agreement. The decision was made after all the EEA countries

(Norway, Iceland and Liechtenstein) approved the agreement with the European Union on adjustments to the supervisory system. In consequence of this, the Norwegian financial services industry is now formally a part of the European single market. However, extensive work remains to implement a number of EU regulations into Norwegian law so that Norway can gain full access to the European single market for financial services.

In the National Budget 2017, the government signalled that important legislative acts such as capital requirements regulations for banks, the crisis management regulations for banks, the regulation on deposit guarantee schemes for banks, as well as the capital requirements regulations for insurance companies (complementary rules to Solvency II), will be given priority.

New regulations give lower counter-cyclical buffer

The Ministry of Finance has adopted regulations on the institution-specific counter-cyclical buffer effective as of 1 October. This implies that DNB, instead of using the Norwegian buffer rate, will calculate the weighted average of the buffer rates for the countries where DNB has credit exposures. The weight represents the size of the capital requirement for exposure in individual countries as a share of the total capital requirement for credit. A deviation is made from the EU regulations, CRD IV, whereby the Norwegian buffer rate will automatically apply to countries that have not set a buffer rate themselves, given that the Ministry of Finance has not stipulated special rates for such countries. In the EU, the automatic rate is zero. The effect of this for DNB is a reduction in the counter-cyclical buffer rate requirement from 1.5 per cent (the current Norwegian rate) to approximately 1.2 per cent. Based on the EU rules, the rate would have been reduced to approximately 1.1 per cent.

Proposed requirements for a contingency solution for cash distribution

On 29 September, Norges Bank and Finanstilsynet sent a proposal to the Ministry of Finance for a regulation on contingency solutions for the payment system. It is proposed that banks be required to have a contingency solution for cash distribution in the event of failures in the electronic payment system, significantly higher demand for cash or failures in the banks' supply system for cash. The purpose of the proposal is to ensure customers access to cash within a reasonable time and within a reasonable travel distance, also in a crisis situation.

In the opinion of Finanstilsynet and Norges Bank, it is up to the banks themselves to consider appropriate contingency solutions.

Macroeconomic developments

According to the IMF, global growth is projected to slow to 3.1 per cent in 2016 before picking up to 3.4 per cent in 2017. The forecast, revised down by 0.1 percentage point for 2016 and 2017 relative to the figures presented in April, reflects a more subdued outlook for advanced economies following the June UK vote in favour of leaving the European Union (Brexit) and weaker-than-expected growth in the United States. These developments have put further downward pressure on global interest rates, as monetary policy is now expected to remain accommodative for longer. Global growth is unevenly distributed and the growth is three times higher in the emerging market economies than in the industrialised countries. Almost eight years after the financial crisis, the industrialised countries are still experiencing spare capacity, low inflation and historically low interest rates.

Norwegian Mainland GDP growth has slowed down during the past year. This is primarily due to a large drop in petroleum sector investment since 2014. The falling prices of oil and certain other commodities have reduced the nation’s income and weakened the Norwegian krone. This weakening has driven up inflation and reduced households’ purchasing power. Real wages could drop by more than 1 per cent this year, which would be the biggest decline since 1981. The rise in unemployment is being dampened by waning growth in productivity and is also very lopsided, as virtually the entire rise in unemployment has taken place in Western Norway. The slump is barely noticeable in the general housing market. Growth in residential construction has accelerated recently, especially in central areas in Eastern Norway. Norges Bank’s regional network reports an increase in activity and an improved outlook, although from a low level. Mainland GDP rose by 0.6 per cent from the first to the second quarter. In the period ahead, oil prices are expected to rise, the decline in oil industry investment will abate, and real wage growth will be boosted by a stronger NOK and lower inflation. There will thus be less need for further interest rate cuts, which means that interest rates have probably already bottomed out. The government’s proposal for next year’s fiscal budget implies a continuous expansionary fiscal policy, which, however, will be less stimulating compared to the current year’s budget.

Registered unemployment declined in the second and third quarters of 2016. However, rising unemployment in the Labour Force Surveys, LFS, shows a different view on capacity utilisation which is more in line with a stable level of employment. Despite higher LFS unemployment and lower growth in household income, it is expected that growth in housing prices will also be high this year. Very low interest rates that are expected to remain low for a long time are boosting demand for housing. The regional differences in the housing market have increased this year. Housing prices are still increasing in Oslo and Akershus, where demand is high and residential construction is being suppressed by supply side constraints. Though residential construction is expected to pick up slightly, strong increases in housing prices in Eastern Norway may continue to push up the growth rate for the country as a whole. Housing price growth in Western Norway, which has been hit the hardest by the oil industry slowdown, is weak or negative. It is expected that the housing market in this part of the country will gradually normalise.

Future prospects

The Norwegian mainland economy stagnated in the second half of 2015, and annual growth ended at 1.0 per cent. Norges Bank’s regional network reported improved actual activity, although from a low level, and forecast a more positive outlook. Mainland GDP rose by 0.6 per cent from the first to the second quarter of 2016.

Norges Bank kept its policy rate unchanged at 0.5 per cent in the third quarter of 2016. At Norges Bank’s September meeting, the central bank’s forecast for the policy rate was adjusted upwards. Hence, the likelihood of further rate cuts has been reduced. Accommodative monetary and fiscal policies support the economy during the process to adapt to lower oil prices. As oil prices have partly recovered and are expected to rise further, there are prospects of increased growth for the mainland economy.

DNB’s lending volumes are expected to rise at an annual rate of 2 to 3 per cent, while volume-weighted spreads are anticipated to be stable. It is the Group’s ambition to increase income from commissions and fees by minimum 3 per cent per year. In consequence of a negative trend in the offshore supply vessel and rig markets and an increase in collective impairment for the year to date, impairment losses are estimated to be up to NOK 18 billion over a three-year period until 2018, with the highest impairment losses during the first part of the period. In 2016, impairment losses will exceed NOK 6 billion. Migration is expected to stabilise in 2017 and 2018 and the build-up of collective impairment to cease. The tax rate is expected to be 22 per cent in 2016 and 24 per cent in 2017. If the proposed Norwegian financial activities tax is approved, a 5 per cent increase in the employer's national insurance contributions will be introduced in 2017, with an estimated effect of NOK 300 million after tax.

DNB’s future financial ambitions towards 2019 will be presented on the Capital Markets Day in London on 16 November.

Oslo, 26 October 2016
The Board of Directors of DNB ASA

Anne Carine Tanum
(chairman)

Tore Olaf Rimmereid
(vice-chairman)

Jarle Bergo

Carl A. Løvvik

Vigdis Mathisen

Jaan Ivar Semlitsch

Berit Svendsen

Rune Bjerke
(group chief executive)

Income statement

Amounts in NOK million	Note	3rd quarter 2016	3rd quarter 2015	January-September 2016	January-September 2015	Full year 2015
						DNB Group
Total interest income	5	12 976	14 348	39 151	43 598	57 532
Total interest expenses	5	(4 495)	(5 367)	(13 413)	(17 302)	(22 174)
Net interest income	5	**8 481**	**8 981**	**25 738**	**26 296**	**35 358**
Commission and fee income	6	2 851	2 867	8 637	9 047	11 963
Commission and fee expenses	6	(835)	(787)	(2 494)	(2 267)	(3 101)
Net gains on financial instruments at fair value	7	1 411	1 945	4 824	6 519	8 683
Net financial result, DNB Livsforsikring [1)]		45	(151)	(14)	(322)	(1 251)
Net risk result, DNB Livsforsikring		109	220	447	614	861
Net insurance result, DNB Forsikring [1)]		148	132	467	401	534
Profit from investments accounted for by the equity method		(0)	(1)	1 234	(44)	(72)
Net gains on investment properties		(5)	143	(28)	147	269
Other income		205	105	751	727	762
Net other operating income		**3 929**	**4 472**	**13 823**	**14 823**	**18 648**
Total income		**12 409**	**13 453**	**39 561**	**41 119**	**54 006**
Salaries and other personnel expenses	8	(2 874)	(2 905)	(9 062)	(8 717)	(9 822)
Other expenses	8	(1 694)	(1 806)	(5 424)	(5 859)	(7 790)
Depreciation and impairment of fixed and intangible assets	8	(475)	(608)	(1 653)	(1 709)	(2 298)
Total operating expenses	8	**(5 043)**	**(5 319)**	**(16 139)**	**(16 284)**	**(19 910)**
Pre-tax operating profit before impairment		**7 366**	**8 134**	**23 421**	**24 834**	**34 096**
Net gains on fixed and intangible assets		20	(3)	(7)	54	45
Impairment of loans and guarantees	9	(2 176)	392	(5 672)	(849)	(2 270)
Pre-tax operating profit		**5 209**	**8 523**	**17 743**	**24 039**	**31 871**
Tax expense [1)]		(1 130)	(2 139)	(3 850)	(5 971)	(7 048)
Profit from operations held for sale, after taxes		1	(14)	(22)	(79)	(51)
Profit for the period		**4 080**	**6 370**	**13 871**	**17 989**	**24 772**
Portion attributable to shareholders		3 952	6 245	13 513	17 740	24 398
Portion attributable to additional Tier 1 capital holders		128	125	358	249	374
Profit for the period		**4 080**	**6 370**	**13 871**	**17 989**	**24 772**
Earnings/diluted earnings per share (NOK)		2.43	3.83	8.30	10.88	14.98
Earnings per share excluding operations held for sale (NOK)		2.43	3.84	8.32	10.93	15.01

1) *In consequence of the introduction of the Solvency II regulations on 1 January 2016, certain minor changes in the regulations on annual accounts for non-life and life insurance companies were approved, effective as of 1 January 2016. Cf. Note 1 Basis for preparation.*

Comprehensive income statement

Amounts in NOK million	3rd quarter 2016	3rd quarter 2015	January-September 2016	January-September 2015	Full year 2015
					DNB Group
Profit for the period	**4 080**	**6 370**	**13 871**	**17 989**	**24 772**
Actuarial gains and losses	(122)	(220)	(161)	642	673
Property revaluation	7	(131)	10	78	(204)
Items allocated to customers (life insurance)	(7)	131	(10)	(78)	204
Items that will not be reclassified to the income statement	(122)	(220)	(161)	642	673
Currency translation of foreign operations [1)]	(4 321)	5 326	(10 037)	7 244	9 612
Currency translation reserve reclassified to the income statement			(43)		
Hedging of net investment [2)]	2 950	(3 411)	6 761	(4 625)	(6 203)
Investments according to the equity method [3)]	4		(29)		889
Investments according to the equity method, reclassified to the income statement [3)]			(855)		
Items that may subsequently be reclassified to the income statement	(1 367)	1 915	(4 203)	2 619	4 298
Other comprehensive income for the period (net of tax)	**(1 489)**	**1 695**	**(4 364)**	**3 261**	**4 972**
Comprehensive income for the period	**2 591**	**8 066**	**9 506**	**21 250**	**29 744**

1) *Currency translation effects related to the Baltics represented a loss of NOK 302 million in the third quarter of 2016.*
2) *Hedging of net investments in the Baltics came to NOK 182 million in the third quarter of 2016, net of tax.*
3) *DNB had indirect ownership interests in Visa Europe through its membership in Visa Norge. In connection with the valuation of the holdings in Visa Europe as at 31 March 2016 an accumulated gain of NOK 855 million was recognised in other comprehensive income. Upon the completion of the acquisition of Visa Europe by Visa Inc in the second quarter of 2016, this amount was reclassified to profit and a total gain of NOK 1 128 million was recognised as "Profit from investments accounted for by the equity method" in the income statement.*

Balance sheet

Amounts in NOK million	Note	DNB Group 30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
Assets				
Cash and deposits with central banks		175 212	19 317	186 874
Due from credit institutions	12, 13	192 931	301 216	238 405
Loans to customers	10, 11, 12, 13	1 484 756	1 542 744	1 531 237
Commercial paper and bonds at fair value	13, 14	302 291	289 695	303 757
Shareholdings	13	21 205	19 341	23 041
Financial assets, customers bearing the risk	13	56 417	49 679	46 344
Financial derivatives	13	187 023	203 029	217 399
Commercial paper and bonds, held to maturity	12, 14	95 963	105 224	108 942
Investment properties	15	15 493	16 734	26 514
Investments accounted for by the equity method		7 901	9 525	8 450
Intangible assets		5 759	6 076	6 123
Deferred tax assets		943	1 151	1 315
Fixed assets		7 898	8 860	11 838
Assets held for sale	16	52 482	200	193
Other assets		45 210	25 739	33 286
Total assets		**2 651 484**	**2 598 530**	**2 743 717**
Liabilities and equity				
Due to credit institutions	12, 13	192 979	161 537	253 332
Deposits from customers	12, 13	917 952	944 428	970 023
Financial derivatives	13	155 491	154 663	169 045
Debt securities issued	12, 13, 17	784 953	804 928	830 313
Insurance liabilities, customers bearing the risk		56 417	49 679	46 344
Liabilities to life insurance policyholders in DNB Livsforsikring [1)]		210 425	208 726	205 257
Insurance liabilities, DNB Forsikring [1)]		2 057	1 846	1 921
Payable taxes		7 093	2 093	4 260
Deferred taxes [1)]		7 860	7 672	6 723
Other liabilities		49 806	37 675	37 302
Liabilities held for sale	16	39 547	71	55
Provisions		1 762	1 285	1 192
Pension commitments		3 003	2 549	5 077
Subordinated loan capital	12, 13, 17	28 202	30 953	30 617
Total liabilities		**2 457 549**	**2 408 105**	**2 561 460**
Share capital		16 288	16 257	16 286
Share premium		22 609	22 609	22 609
Additional Tier 1 capital		9 641	8 353	8 251
Other equity [1)]		145 397	143 207	135 110
Total equity		**193 935**	**190 425**	**182 257**
Total liabilities and equity		**2 651 484**	**2 598 530**	**2 743 717**

Off-balance sheet transactions and contingencies 18

1) *In consequence of the introduction of the Solvency II regulations on 1 January 2016, certain minor changes in the regulations on annual accounts for non-life and life insurance companies were approved, effective as of 1 January 2016. Cf. Note 1 Basis for preparation.*

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 [2)]	Net investment hedge reserve [2)]	Other equity [1)]	Total equity [1) 2)]
Balance sheet as at 31 Dec. 2014	**16 273**	**22 609**		**(3 247)**	**8 671**	**(5 645)**	**120 063**	**158 723**
Changes in accounting principles, insurance liabilities [3)]							337	337
Balance sheet as at 1 Jan. 2015	**16 273**	**22 609**		**(3 247)**	**8 671**	**(5 645)**	**120 399**	**159 059**
Profit for the period			249				17 740	17 989
Other comprehensive income (net of tax)				642	7 244	(4 625)		3 261
Comprehensive income for the period			249	642	7 244	(4 625)	17 740	21 250
Currency translation reserve taken to income					5		4	10
Additional Tier 1 capital issued			8 053				(31)	8 023
Interest payments additional Tier 1 capital			(51)					(51)
Dividends paid for 2014 (NOK 3.80 per share)							(6 189)	(6 189)
Net purchase of treasury shares	14						143	156
Balance sheet as at 30 Sept. 2015 restated	**16 286**	**22 609**	**8 251**	**(2 604)**	**15 920**	**(10 270)**	**132 065**	**182 257**
Balance sheet as at 31 Dec. 2015	**16 257**	**22 609**	**8 353**	**(525)**	**18 317**	**(11 848)**	**136 916**	**190 078**
Changes in accounting principles, insurance liabilities [3)]							347	347
Balance sheet as at 31 Dec. 2015 restated	**16 257**	**22 609**	**8 353**	**(525)**	**18 317**	**(11 848)**	**137 263**	**190 425**
Profit for the period			358				13 513	13 871
Other comprehensive income (net of tax)				(161)	(10 081)	6 761	(884)	(4 364)
Comprehensive income for the period			358	(161)	(10 081)	6 761	12 629	9 506
Additional Tier 1 capital issued			1 400					1 400
Interest payments additional Tier 1 capital			(458)					(458)
Currency movements taken to income			(11)				11	
Dividends paid for 2015 (NOK 4.50 per share)							(7 330)	(7 330)
Net purchase of treasury shares	31						360	392
Balance sheet as at 30 Sept. 2016	**16 288**	**22 609**	**9 641**	**(686)**	**8 236**	**(5 087)**	**142 933**	**193 935**

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

	Share capital	Other equity	Total equity
Balance sheet as at 31 Dec. 2015	*(31)*	*(313)*	*(345)*
Net purchase of treasury shares	*31*	*360*	*392*
Reversal of fair value adjustments through the income statement		*1*	*1*
Balance sheet as at 30 September 2016		*48*	*48*

2) *Of which OCI related to the Baltics:*

	Currency translation reserve	Net investment hedge reserve	Total equity
Balance sheet as at 31 December 2015	*1 465*	*(987)*	*478*
Other comprehensive income	*(553)*	*337*	*(216)*
Balance sheet as at 30 September 2016	*912*	*(650)*	*262*

Currency translation reserve and net investment hedge reserve related to the Baltics totaled NOK 262 million as at 30 September 2016, of which NOK 259 million represented accumulated tax on the hedging instruments.

3) *In consequence of the introduction of the Solvency II regulations on 1 January 2016, certain minor changes in the regulations on annual accounts for non-life and life insurance companies were approved, effective as of 1 January 2016. Among other things, the changes imply that the security reserve is no longer included in the Group's technical insurance reserves. Cf. Note 1 Basis for preparation.*

Cash flow statement

			DNB Group
	January-September		Full year
Amounts in NOK million	2016	2015	2015
Operating activities			
Net payments on loans to customers	(34 523)	(47 659)	(50 866)
Interest received from customers	35 006	39 003	51 476
Net receipts/payments on deposits from customers	34 258	(10 549)	(37 827)
Interest paid to customers	(378)	(1 644)	(7 391)
Net receipts on loans to credit institutions	128 799	174 952	18 246
Interest received from credit institutions	891	1 178	1 618
Interest paid to credit institutions	(899)	(961)	(1 359)
Net receipts/payments on the sale of financial assets for investment or trading	13 282	(36 857)	(2 479)
Interest received on bonds and commercial paper	1 940	2 454	4 719
Net receipts on commissions and fees	5 905	6 776	8 871
Payments to operations	(14 406)	(13 497)	(19 934)
Taxes paid	(1 150)	(1 650)	(2 575)
Receipts on premiums	11 618	14 917	19 233
Net receipts/payments on premium reserve transfers	(1 335)	(14 240)	(14 415)
Payments of insurance settlements	(11 088)	(11 372)	(14 820)
Other receipts/payments	(7 763)	(1 504)	4 411
Net cash flow from operating activities	**160 156**	**99 346**	**(43 092)**
Investment activities			
Net receipts/payments on the acquisition of fixed assets	(892)	534	2 979
Net receipts, investment properties	470	386	2 833
Receipts on the sale of long-term investments in shares	860		76
Dividends received on long-term investments in shares	48	0	6
Net cash flow from investment activities	**485**	**921**	**5 894**
Funding activities			
Receipts on issued bonds and commercial paper	8 754 331	1 556 555	3 142 451
Payments on redeemed bonds and commercial paper	(8 726 620)	(1 540 481)	(3 145 857)
Interest payments on issued bonds and commercial paper	(12 824)	(11 802)	(15 129)
Receipts on the raising of subordinated loan capital		3 805	3 805
Redemptions of subordinated loan capital	(3)	(4 604)	(4 604)
Interest payments on subordinated loan capital	(696)	(728)	(1 029)
Receipts on issued additional Tier 1 capital	1 400	8 022	8 023
Interest payments on additional Tier 1 capital	(458)	(51)	(75)
Dividend payments	(7 330)	(6 189)	(6 189)
Net cash flow from funding activities	**7 800**	**4 529**	**(18 604)**
Effects of exchange rate changes on cash and cash equivalents	**(10 383)**	**22 658**	**14 670**
Net cash flow	**158 058**	**127 453**	**(41 132)**
Cash as at 1 January	23 239	64 371	64 371
Net receipts/payments of cash	158 058	127 453	(41 132)
Cash at end of period *)	181 297	191 824	23 239

**) Of which: Cash and deposits with central banks*	*177 935*	*186 874*	*19 317*
Deposits with credit institutions with no agreed period of notice 1)	*3 362*	*4 950*	*3 922*

1) *Recorded under "Due from credit institutions" in the balance sheet.*

Note 1 Basis for preparation

The quarterly financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board and as adopted by the European Union. When preparing the consolidated financial statements, management makes estimates, judgments 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 accounting policies, significant estimates and areas where judgment is applied by the Group, appear in note 1 Accounting principles in the annual report for 2015.

Changes in the regulations on annual accounts for insurance companies

In consequence of the introduction of the Solvency II regulations on 1 January 2016, certain minor changes in the regulations on annual accounts for non-life and life insurance companies were approved, effective as of 1 January 2016. Among other things, the changes imply that the security reserve is no longer included in the Group's technical insurance reserves. The change has affected the income statement, balance sheet and equity. Comparative figures for 2015 have been restated accordingly. The tables below show comparable figures for 2015 with implementation effect on 1 January 2015.

Income statement

DNB Group

	Change				Third quarter 2015			Full year 2015		
Amounts in NOK million	1st quarter 2015	2nd quarter 2015	3rd quarter 2015	4th quarter 2015	Reported	Effect	Restated	Reported	Effect	Restated
Net financial result, DNB Livsforsikring	1	13	5	(19)	(156)	5	(151)	(1 251)		(1 251)
Net insurance result, DNB Forsikring	4	14	4	(9)	128	4	132	521	13	534
Taxes	(1)	(7)	(2)	7	(2 136)	(2)	(2 139)	(7 045)	(3)	(7 048)
Profit for the period	4	20	7	(21)	6 363	7	6 370	24 762	10	24 772

Balance sheet

DNB Group

	31 December 2015			30 September 2015			1 January 2015		
Amounts in NOK million	Reported	Effect	Restated	Reported	Effect	Restated	Reported	Effect	Restated
Liabilities to life insurance policyholders in DNB Livsforsikring	208 949	(223)	208 726	205 498	(241)	205 257	216 799	(222)	216 577
Insurance liabilities, DNB Forsikring	2 085	(239)	1 846	2 169	(248)	1 921	1 964	(226)	1 738
Deferred taxes	7 556	116	7 672	6 601	122	6 723	6 018	112	6 130

Equity

DNB Group

	31 December 2015			30 September 2015			1 January 2015		
Amounts in NOK million	Reported	Effect	Restated	Reported	Effect	Restated	Reported	Effect	Restated
Total equity	190 078	347	190 425	181 890	367	182 257	158 723	337	159 060

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.

Personal customers	-	includes the Group's total products and activities to private customers in all channels, both digital and physical, with the exception of residential mortgages recorded under Traditional pension products, where returns accrue to the policyholders. 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. 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 and assets related to these products. 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 the Group's accounting principles and 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 III with capital requirement related to credit risk, market risk and operational risk. The allocation of capital for 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, third 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	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK million	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Net interest income	3 303	3 445	1 590	1 551	3 508	3 908	19	(106)			62	183	8 481	8 981
Net other operating income	1 281	1 295	441	396	1 670	1 429	1 134	(342)	280	284	(879)	1 411	3 929	4 472
Total income	4 584	4 739	2 031	1 947	5 178	5 337	1 153	(448)	280	284	(817)	1 594	12 409	13 453
Operating expenses	(2 002)	(2 274)	(804)	(740)	(1 922)	(2 043)	(127)	(155)	(92)	(126)	(96)	19	(5 043)	(5 319)
Pre-tax operating profit before impairment	2 582	2 465	1 227	1 207	3 256	3 295	1 025	(604)	188	158	(913)	1 613	7 366	8 134
Net gains on fixed and intangible assets	(0)	(3)	0	(1)	19	1					1	(1)	20	(3)
Impairment of loans and guarantees [3]	(78)	963	(339)	(138)	(1 758)	(433)					(1)	1	(2 176)	392
Profit from repossessed operations			(6)	(21)	4	1					1	20		
Pre-tax operating profit	2 503	3 425	883	1 047	1 521	2 863	1 025	(604)	188	158	(911)	1 633	5 209	8 523
Tax expense	(626)	(925)	(221)	(283)	(411)	(830)	(256)	157	(7)	84	390	(342)	(1 130)	(2 139)
Profit from operations held for sale, after taxes	0	2			(0)						1	(17)	1	(14)
Profit for the period	1 878	2 503	662	764	1 110	2 033	769	(447)	181	242	(521)	1 274	4 080	6 370

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) *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	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK billion	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Loans to customers [1] [2]	706.9	697.2	227.1	217.8	553.6	582.7	20.0	12.3	27.4	4.2	(14.0)	(0.6)	1521.0	1513.7
Deposits from customers [1] [2]	407.9	390.4	179.5	175.4	374.4	408.9	111.1	174.7			(22.8)	(3.5)	1050.0	1145.9
Assets under management	75.7	75.4	72.4	61.6	181.8	218.7			203.7	199.2	21.6	14.8	555.2	569.5
Allocated capital [3]	39.7	33.1	24.4	21.6	88.7	70.4	7.2	7.0	19.6	17.9				

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	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Per cent	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Cost/income ratio [4]	43.7	48.0	39.6	38.0	37.1	38.3	11.0	(34.7)	32.9	44.4			40.6	39.6
Ratio of deposits to loans [2] [5]	57.7	56.0	79.0	80.5	67.6	70.2							69.0	75.7
Return on allocated capital, annualised [3]	18.8	30.0	10.8	14.0	5.0	11.5	42.7	(25.4)	3.7	5.4			8.5	14.7

1) *Loans to and deposits from customers in the Baltics are included under Large corporates and international customers in spite of being reclassified as assets and liabilities held for sale in August 2016. The reclassification is reflected under Other operations/eliminations. Reclassified loans amounted to NOK 23.7 billion and deposits to NOK 17.9 billion.*
2) *Loans to customers include accrued interest, impairment and value adjustments. Correspondingly, deposits from customers include accrued interest and value adjustments. In November 2015, a portfolio of residential mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring. Personal Banking Norway will continue to manage the portfolio on behalf of DNB Livsforsikring.*
3) *Allocated capital for the segments is calculated based on the external capital adequacy requirement (Basel III) which must be met by the Group. The capital allocated in 2016 corresponds to a common equity Tier 1 capital ratio of 17.2 per cent compared to 14.5 per cent in 2015. Recorded capital is used for the Group.*
4) *Total operating expenses relative to total income.*
5) *Deposits from customers relative to loans to customers. Calculated on the basis of average balance sheet items.*

Income statement, January-September

DNB Group

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products [1]		Other operations/ eliminations		DNB Group	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
Amounts in NOK million	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Net interest income	10 040	10 201	4 721	4 521	10 633	11 268	27	86			316	219	25 738	26 296
Net other operating income	3 775	3 776	1 413	1 280	4 624	4 725	2 159	707	934	1 144	918	3 192	13 823	14 823
Total income	13 815	13 977	6 134	5 801	15 257	15 993	2 186	793	934	1 144	1 235	3 411	39 561	41 119
Operating expenses	(6 674)	(6 720)	(2 459)	(2 271)	(5 880)	(5 852)	(389)	(408)	(339)	(403)	(397)	(631)	(16 139)	(16 284)
Pre-tax operating profit before impairment	7 141	7 257	3 675	3 530	9 377	10 141	1 797	384	595	741	837	2 781	23 421	24 834
Net gains on fixed and intangible assets	(0)	(0)	2	(2)	27	49					(35)	6	(7)	54
Impairment of loans and guarantees [2]	263	924	(793)	(708)	(5 147)	(1 029)					6	(36)	(5 672)	(849)
Profit from repossessed operations			(34)	(32)	1	(61)					33	94		
Pre-tax operating profit	7 404	8 181	2 850	2 788	4 258	9 100	1 797	384	595	741	841	2 845	17 743	24 039
Tax expense	(1 851)	(2 209)	(712)	(753)	(1 150)	(2 639)	(449)	(100)	(45)	61	356	(332)	(3 850)	(5 971)
Profit from operations held for sale, after taxes	(1)	2			3						(25)	(81)	(22)	(79)
Profit for the period	5 552	5 975	2 137	2 035	3 112	6 461	1 347	284	551	802	1 172	2 431	13 871	17 989

1) *See the tables below for more information about Traditional pension products.*
2) *See note 9 Impairment of loans and guarantees for an analysis of the gross change in impairment for the Group.*

Note 2 Segments (continued)

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	3rd quarter 2016	3rd quarter 2015	January-September 2016	January-September 2015	Full year 2015
Recorded interest result	637	(303)	1 302	309	2 163
Risk result	66	142	269	434	599
Administration result	62	74	251	192	291
Upfront pricing of risk and guaranteed rate of return	68	131	232	398	535
Provisions for higher life expentancy, group pension [1)]	(403)	162	(1 019)	(637)	(3 141)
Allocations to policyholders, products with guaranteed rates of return	(338)	(28)	(762)	(347)	(802)
Return on corporate portfolio	96	(20)	323	393	500
Pre-tax operating profit - Traditional pension products	188	158	595	741	145

1) Provisions for higher life expectancy, group pension:

Amounts in NOK million	*Accumulated balance 30 September 2016*
Paid-up policies	*6 911*
Defined benefit	*3 424*
*Total group pension *)*	*10 335*

**) The total required increase in reserves for the portfolio as at 30 September 2016 was approximately NOK xx.x billion.*

Other operations/eliminations

Other operations/eliminations 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, Other operations/eliminations 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 and all intra-group eliminations are included in Other operations/eliminations.

Pre-tax operating profit **DNB Group**

Amounts in NOK million	3rd quarter 2016	3rd quarter 2015
Unallocated interest income	(80)	71
Income from equity investments	7	(45)
Mark-to-market adjustments on financial instruments	(323)	544
Basis swaps	(444)	933
Profit from associated companies	(0)	(32)
Net gains on investment properties	11	143
Profit from repossessed operations	1	20
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(117)	(103)
Unallocated personnel expenses	(82)	(75)
Unallocated IT and Operations expenses	114	112
IT restructuring	2	(56)
Impairment of fixed assets and value adjustements on investment properties	35	(17)
Other	(37)	138
Pre-tax operating profit	(911)	1 633

Note 3 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRD IV/CRR). On 18 December 2015, the Ministry of Finance approved new regulations on consolidation etc. in cross-sectoral groups. The changes became effective on 31 January 2016 and are adapted to the EU regulations, reflecting the entry into force of Solvency II on 1 January 2016. The regulatory consolidation deviates from consolidation in the accounts and comprises the parent company, subsidiaries and associated companies within the financial sector, excluding insurance companies. Associated companies are consolidated pro rata.

Primary capital	**DNB Bank ASA**		**DNB Bank Group**		**DNB Group**	
Amounts in NOK million	30 Sept. 2016	31 Dec. 2015	30 Sept. 2016	31 Dec. 2015	30 Sept. 2016 [1)]	31 Dec. 2015
Total equity excluding profit for the period	152 501	151 533	165 362	173 412	180 422	190 078
Effect from regulatory consolidation			(474)	(541)	(4 915)	(541)
Non-eligible capital, DNB Livsforsikring						(403)
Additional Tier 1 capital instruments included in total equity	(9 453)	(8 053)	(9 453)	(8 053)	(9 453)	(8 053)
Net accrued interest on additional Tier 1 capital instruments	(141)	(219)	(141)	(219)	(141)	(219)
Common equity Tier 1 capital instruments	142 907	143 261	155 294	164 599	165 913	180 863
Deductions						
Pension funds above pension commitments	(40)	(38)	(40)	(38)	(40)	(38)
Goodwill	(2 932)	(3 012)	(2 961)	(3 029)	(4 666)	(4 763)
Deferred tax assets that are not due to temporary differences	(195)	(195)	(641)	(640)	(641)	(640)
Other intangible assets	(625)	(663)	(886)	(1 075)	(886)	(1 241)
Dividends payable etc.				(5 000)		(7 330)
Significant investments in financial sector entities					(674)	
Expected losses exceeding actual losses, IRB portfolios	(192)	(1 383)	(546)	(2 309)	(546)	(2 309)
Value adjustments due to the requirements for prudent valuation (AVA)	(515)	(671)	(868)	(1 055)	(868)	(1 055)
Adjustments for unrealised losses/(gains) on debt recorded at fair value	(16)	(15)	(414)	(412)	(414)	(412)
Adjustments for unrealised losses/(gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	(834)	(785)	(166)	(150)	(165)	(150)
Minimum requirement reassurance allocation						(17)
Common equity Tier 1 capital	137 560	136 499	148 772	150 889	157 012	162 906
Common equity Tier 1 capital incl. 50 per cent of profit for the period	142 463		155 498		163 756	
Additional Tier 1 capital instruments	11 351	10 267	11 351	10 267	11 351	10 267
Tier 1 capital	148 911	146 766	160 122	161 156	168 362	173 173
Tier 1 capital incl. 50 per cent of profit for the period	153 814		166 849		175 107	
Perpetual subordinated loan capital	5 310	5 702	5 310	5 702	5 310	5 702
Term subordinated loan capital	20 161	22 185	20 161	22 185	20 161	22 185
Deduction of holdings of Tier 2 instruments in DNB Livsforsikring and DNB Forsikring					(5 800)	
Tier 2 capital	25 471	27 887	25 471	27 887	19 671	27 887
Total eligible capital	174 381	174 653	185 593	189 043	188 033	201 060
Total eligible capital incl. 50 per cent of profit for the period	179 285		192 320		194 778	
Risk-weighted volume, transitional rules	773 358	906 084	1 034 684	1 056 731	1 045 272	1 129 373
Minimum capital requirement, transitional rules	61 869	72 487	82 775	84 539	83 622	90 350
Common equity Tier 1 capital ratio, transitional rules (%)	18.4	15.1	15.0	14.3	15.7	14.4
Tier 1 capital ratio, transitional rules (%)	19.9	16.2	16.1	15.3	16.8	15.3
Capital ratio, transitional rules (%)	23.2	19.3	18.6	17.9	18.6	17.8
Common equity Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	17.8		14.4		15.0	
Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	19.3		15.5		16.1	
Capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	22.5		17.9		18.0	

1) *As from the first quarter of 2016, DNB Livsforsikring and DNB Forsikring are not included in the regulatory consolidation for the DNB Group. With effect from the first quarter of 2016, deductions are also made for significant investments in financial sector entities if they each exceed 10 per cent of common equity Tier 1 capital. The amounts that are not deducted are given a risk weight of 250 per cent. In addition, the holdings of Tier 2 instruments in DNB Livsforsikring and DNB Forsikring are deducted from the Group's Tier 2 capital.*

Note 3 Capital adequacy (continued)

Basel III

The majority of the credit portfolios are reported according to the IRB approach. However, one portfolio, banks and financial institutions (DNB Bank), is still subject to final IRB approval from Finanstilsynet. The portfolio Large corporate clients rated by simulation models (DNB Bank) was approved in December 2015.

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

Amounts in NOK million	Nominal exposure 30 Sept. 2016	EAD [1] 30 Sept. 2016	Average risk weights in per cent 30 Sept. 2016	Risk-weighted volume 30 Sept. 2016	Capital requirement 30 Sept. 2016	Capital requirement 31 Dec. 2015
IRB approach						
Corporate	1 036 066	844 265	48.2	406 887	32 551	33 421
Specialised lending (SL)	10 603	10 198	43.3	4 421	354	468
Retail - mortgage loans	700 276	700 276	22.1	154 476	12 358	12 241
Retail - other exposures	112 649	92 596	25.8	23 851	1 908	1 965
Securitisation	13 185	13 185	90.3	11 902	952	1 201
Total credit risk, IRB approach	1 872 780	1 660 520	36.2	601 537	48 123	49 295
Standardised approach						
Central government	46 522	56 220	0.1	59	5	33
Institutions	215 329	103 824	25.6	26 569	2 126	2 230
Corporate	159 433	127 391	85.1	108 353	8 668	9 657
Retail - mortgage loans	49 852	47 772	46.0	21 952	1 756	1 764
Retail - other exposures	130 513	49 940	75.3	37 613	3 009	2 642
Equity positions	18 600	18 600	231.9	43 131	3 450	276
Securitisation	1 998	1 398	46.2	646	52	60
Other assets	13 004	13 004	57.5	7 484	599	535
Total credit risk, standardised approach	635 251	418 150	58.8	245 805	19 664	17 195
Total credit risk	2 508 031	2 078 670	40.8	847 341	67 787	66 490
Market risk						
Position risk, debt instruments				13 718	1 097	1 141
Position risk, equity instruments				226	18	36
Currency risk						
Commodity risk				12	1	3
Credit value adjustment risk (CVA)				5 747	460	513
Total market risk				19 703	1 576	1 693
Operational risk				83 381	6 670	6 670
Net insurance, after eliminations						6 464
Total risk-weighted volume and capital requirements before transitional rules				950 425	76 034	81 317
Additional capital requirements according to transitional rules [2]				94 847	7 588	9 033
Total risk-weighted volume and capital requirements				1 045 272	83 622	90 350

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 and international group entities. 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, a systemic crisis and a combination thereof, and a contingency plan has been established to handle market events. In addition, limits have been set 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. For the purpose of liquidity management, the measure ratio of deposits to net loans is more relevant at the banking group level than at DNB Group level, due to the fact that some loans at the DNB Group level are investments on behalf of insurance clients. The banking group's ratio of deposits to net loans was 62.8 per cent at end-September 2016, down from 63.5 per cent a year earlier. The ratio of deposits to net loans in DNB Bank ASA was 133.3 per cent at end-September 2016.

The short-term funding markets were generally sound for banks with high credit ratings in the third quarter of 2016. Longer maturities are still not as attractive, as US money market funds are adapting to new regulations which came into force on 14 October. DNB had ample access to short-term funding throughout the quarter.

The level of activity in the long-term funding markets was lower in the beginning of the quarter, which is normal due to the summer holidays. Activity picked up towards the end of August and into September, but once again slowed down towards the end of the quarter due to, among other things, concerns over profitability in European banks. The short-term liquidity requirement, Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the quarter. At end-September, the total LCR was 140 per cent, with an LCR of 336 per cent for EUR, 185 per cent for USD and 75 per cent for NOK.

The average remaining term to maturity for the portfolio of senior bond debt and covered bonds was 3.9 years at end-September 2016, unchanged from a year earlier. The DNB Group aims to maintain a sound and stable maturity structure for funding over the next five years.

Note 5 Net interest income

					DNB Group
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2016	2015	2016	2015	2015
Interest on amounts due from credit institutions	302	421	908	1 178	1 608
Interest on loans to customers	11 078	12 253	33 245	37 068	48 728
Interest on impaired loans and guarantees	245	148	594	415	619
Interest on commercial paper and bonds	1 195	1 155	3 441	3 537	4 655
Front-end fees etc.	69	81	213	242	337
Other interest income	87	290	750	1 157	1 584
Total interest income	**12 976**	**14 348**	**39 151**	**43 598**	**57 532**
Interest on amounts due to credit institutions	(325)	(314)	(942)	(996)	(1 365)
Interest on deposits from customers	(1 672)	(2 265)	(4 979)	(7 573)	(9 394)
Interest on debt securities issued	(3 055)	(3 268)	(9 452)	(9 571)	(12 809)
Interest on subordinated loan capital	(132)	(139)	(401)	(429)	(569)
Guarantee fund levy [1)]	(187)	(231)	(567)	(644)	(845)
Other interest expenses [2)]	875	850	2 928	1 912	2 809
Total interest expenses	**(4 495)**	**(5 367)**	**(13 413)**	**(17 302)**	**(22 174)**
Net interest income	**8 480**	**8 981**	**25 737**	**26 296**	**35 358**

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.

Note 6 Net commission and fee income

Amounts in NOK million	3rd quarter 2016	3rd quarter 2015	January-September 2016	January-September 2015	Full year 2015
					DNB Group
Money transfers	992	969	2 858	2 684	3 595
Asset management services	400	347	1 093	1 007	1 399
Custodial services	75	68	236	256	336
Securities broking	137	106	416	340	482
Corporate finance	124	91	429	487	609
Interbank fees	7	8	18	22	29
Credit broking	108	119	382	646	781
Sale of insurance products	562	638	1 842	2 014	2 661
Real estate broking	273	281	861	931	1 201
Other commissions and fees	174	241	501	662	870
Total commission and fee income	**2 851**	**2 867**	**8 637**	**9 047**	**11 963**
Money transfers	(464)	(447)	(1 340)	(1 211)	(1 670)
Asset management services	(81)	(73)	(210)	(201)	(282)
Custodial services	(68)	(44)	(132)	(131)	(174)
Securities broking	(18)	(29)	(137)	(87)	(119)
Corporate finance	(12)	(8)	(54)	(39)	(55)
Interbank fees	(14)	(15)	(43)	(46)	(61)
Credit broking	(9)	(8)	(23)	(18)	(27)
Sale of insurance products	(45)	(16)	(156)	(127)	(179)
Other commissions and fees	(123)	(147)	(400)	(407)	(534)
Total commission and fee expenses	**(835)**	**(787)**	**(2 494)**	**(2 267)**	**(3 101)**
Net commission and fee income	**2 016**	**2 080**	**6 143**	**6 781**	**8 862**

Note 7 Net gains on financial instruments at fair value

Amounts in NOK million	3rd quarter 2016	3rd quarter 2015	January-September 2016	January-September 2015	Full year 2015
					DNB Group
Dividends	14	38	107	138	158
Net gains on commercial paper and bonds	(900)	18	152	(1 341)	(2 593)
Net gains on shareholdings and equity-related derivatives	312	(10)	282	(419)	(35)
Net unrealised gains on basis swaps	(444)	933	171	2 690	2 685
Net gains on other financial instruments	2 429	966	4 112	5 452	8 467
Net gains on financial instruments at fair value	**1 411**	**1 945**	**4 824**	**6 519**	**8 683**

Note 8 Operating expenses

					DNB Group
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2016	2015	2016	2015	2015
Salaries	(2 073)	(2 100)	(6 186)	(6 198)	(8 269)
Employer's national insurance contributions	(303)	(298)	(922)	(909)	(1 220)
Pension expenses	(321)	(286)	(954)	(840)	799
Restructuring expenses	(22)	(63)	(516)	(248)	(390)
Other personnel expenses	(156)	(157)	(483)	(522)	(742)
Total salaries and other personnel expenses	**(2 874)**	**(2 905)**	**(9 062)**	**(8 717)**	**(9 822)**
Fees [1)]	(395)	(341)	(1 116)	(1 185)	(1 545)
IT expenses [1)]	(552)	(637)	(1 690)	(1 929)	(2 418)
Postage and telecommunications	(55)	(74)	(179)	(222)	(287)
Office supplies	(18)	(21)	(55)	(65)	(89)
Marketing and public relations	(174)	(197)	(600)	(655)	(859)
Travel expenses	(45)	(52)	(152)	(185)	(285)
Reimbursement to Norway Post for transactions executed	(49)	(42)	(151)	(131)	(174)
Training expenses	(9)	(14)	(39)	(50)	(75)
Operating expenses on properties and premises	(292)	(246)	(901)	(812)	(1 114)
Operating expenses on machinery, vehicles and office equipment	(18)	(31)	(70)	(76)	(101)
Other operating expenses	(87)	(152)	(471)	(548)	(844)
Total other expenses	**(1 694)**	**(1 806)**	**(5 424)**	**(5 859)**	**(7 790)**
Depreciation and impairment of fixed and intangible assets [2)]	(475)	(608)	(1 653)	(1 709)	(2 298)
Total depreciation and impairment of fixed and intangible assets	**(475)**	**(608)**	**(1 653)**	**(1 709)**	**(2 298)**
Total operating expenses	**(5 043)**	**(5 319)**	**(16 139)**	**(16 284)**	**(19 910)**

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

2) In consequence of the restructuring process in DNB, provisions of NOK 160 million for onerous contracts related to premises were made in the first quarter of 2016.

Note 9 Impairment of loans and guarantees

					DNB Group
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2016	2015	2016	2015	2015
Write-offs	(103)	(308)	(904)	(699)	(1 446)
New/increased individual impairment	(1 663)	(758)	(4 391)	(2 616)	(3 288)
Total new/increased individual impairment	(1 767)	(1 066)	(5 295)	(3 315)	(4 735)
Reassessed individual impairment previous years	113	166	813	761	978
Recoveries on loans and guarantees previously written off	74	1 186	782	1 542	1 742
Net individual impairment	(1 580)	285	(3 700)	(1 013)	(2 015)
Change in collective impairment of loans	(596)	106	(1 971)	163	(255)
Impairment of loans and guarantees [1)]	**(2 176)**	**392**	**(5 672)**	**(849)**	**(2 270)**
Write-offs covered by individual impairment made in previous years	464	1 031	1 954	3 083	3 749
1) Of which individual impairment of guarantees	*(147)*	*(0)*	*(239)*	*(36)*	*(36)*

Note 10 Loans to customers

Amounts in NOK million	30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
	DNB Group		
Loans at amortised cost			
Loans to customers, nominal amount	1 367 121	1 405 735	1 414 315
- Individual impairment	(7 683)	(8 484)	(9 832)
Loans to customers, after individual impairment	1 359 438	1 397 251	1 404 483
+ Accrued interest and amortisation	2 090	2 349	2 454
- Individual impairment of accrued interest and amortisation	(562)	(656)	(689)
- Collective impairment	(4 208)	(2 527)	(2 058)
Loans to customers, at amortised cost	1 356 759	1 396 417	1 404 190
Loans at fair value			
Loans to customers, nominal amount	126 002	144 215	124 335
+ Accrued interest	188	229	241
+ Adjustment to fair value	1 807	1 883	2 471
Loans to customers, at fair value	127 997	146 327	127 047
Loans to customers *) 1)	**1 484 756**	**1 542 744**	**1 531 237**
**) Of which repo trading volumes*	*21 771*	*32 384*	*6 316*

1) Loans to customers in the Baltics were reclassified as assets held for sale in August 2016 and amounted to NOK 45 887 million at end-September 2016.

Note 11 Net impaired loans and guarantees for principal customer groups 1) 2)

Amounts in NOK million	30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
	DNB Group		
Private individuals	2 469	2 661	2 806
Transportation by sea and pipelines and vessel construction	2 185	2 045	2 056
Real estate	1 710	2 289	1 821
Manufacturing	3 749	1 530	1 409
Services	645	359	1 045
Trade	486	476	637
Oil and gas	3 478		
Transportation and communication	3 426	1 099	1 254
Building and construction	1 051	470	561
Power and water supply	105	317	12
Seafood	10	5	15
Hotels and restaurants	60	118	106
Agriculture and forestry	153	110	117
Central and local government	0	7	6
Other sectors	25	34	13
Total customers	19 552	11 519	11 857
Credit institutions			
Total net impaired loans and guarantees	19 552	11 519	11 857
Non-performing loans and guarantees not subject to impairment	3 037	2 463	1 779
Total net non-performing and doubtful loans and guarantees 2)	22 589	13 982	13 636

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.

2) Includes volumes in the Baltics, reclassified as assets held for sale in August 2016, of which net non-performing and net doubtful loans and guarantees totalled NOK 2 529 million at end-September.

Note 12 Fair value of financial instruments at amortised cost

	DNB Group			
	30 September 2016		30 September 2015	
Amounts in NOK million	Carrying amount	Fair value	Carrying amount	Fair value
Cash and deposits with central banks	3 125	3 125	4 807	4 807
Due from credit institutions	16 839	16 839	29 914	29 914
Loans to customers	1 356 759	1 360 458	1 404 190	1 403 965
Commercial paper and bonds, held to maturity	95 963	106 211	108 942	118 843
Total financial assets	1 472 686	1 486 633	1 547 852	1 557 529
Due to credit institutions	27 583	27 583	42 170	42 170
Deposits from customers	872 463	872 463	915 063	915 063
Securities issued [1)]	542 416	548 611	561 702	567 761
Subordinated loan capital [1)]	26 951	26 962	29 365	29 394
Total financial liabilities	1 469 413	1 475 618	1 548 301	1 554 389

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	Total
Assets as at 30 September 2016				
Deposits with central banks		172 088		172 088
Due from credit institutions		176 092		176 092
Loans to customers		32 369	95 628	127 997
Commercial paper and bonds at fair value	54 065	248 027	199	302 291
Shareholdings	4 894	11 240	5 071	21 205
Financial assets, customers bearing the risk		56 417		56 417
Financial derivatives	0	185 785	1 238	187 023
Liabilities as at 30 September 2016				
Due to credit institutions		165 397		165 397
Deposits from customers		45 489		45 489
Debt securities issued		242 537		242 537
Subordinated loan capital		1 251		1 251
Financial derivatives	0	154 491	1 000	155 491
Other financial liabilities [1)]	2 809	30		2 839

				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	Total
Assets as at 30 September 2015				
Deposits with central banks		182 067		182 067
Due from credit institutions		208 491		208 491
Loans to customers		11 958	115 088	127 047
Commercial paper and bonds at fair value	40 357	262 727	673	303 757
Shareholdings	6 436	10 428	6 177	23 041
Financial assets, customers bearing the risk		46 344		46 344
Financial derivatives	0	215 844	1 555	217 399
Liabilities as at 30 September 2015				
Due to credit institutions		211 162		211 162
Deposits from customers		54 959		54 959
Debt securities issued		268 611		268 611
Subordinated loan capital		1 251		1 251
Financial derivatives	1	167 849	1 196	169 045
Other financial liabilities [1)]	4 546			4 546

1) *Short positions, trading activities.*

Financial assets and liabilities in the Baltics were reclassified to assets and liabilities held for sale in August 2016 and are not included in the table above.

For a further description of the instruments and valuation techniques, see the annual report for 2015

Note 13 Financial instruments at fair value (continued)

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	Financial derivatives	Financial derivatives
Carrying amount as at 31 December 2015	**108 687**	**734**	**6 297**	**1 504**	**1 144**
Net gains recognised in the income statement	(48)	(94)	(174)	(230)	(102)
Additions/purchases	7 949	239	254	595	597
Sales	(174)	(567)	(1 252)		
Settled	(20 712)	0	(22)	(604)	(626)
Transferred from level 1 or level 2		426			
Transferred to level 1 or level 2		(504)			
Other [1]	(74)	(35)	(32)	(27)	(13)
Carrying amount as at 30 September 2016	**95 628**	**199**	**5 071**	**1 238**	**1 000**

1) *Includes assets and liabilities in the Baltics reclassified as assets and liabilities held for sale in August 2016.*

Breakdown of fair value, level 3

DNB Group

	30 September 2016		
Amounts in NOK million	Loans to customers	Commercial paper and bonds	Share-holdings
Principal amount/purchase price	93 638	272	4 400
Fair value adjustment [1]	1 807	(73)	671
Accrued interest	183		
Carrying amount	95 628	199	5 071

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 30 Sept. 2016	466	799	899	2 885	22	5 071

Sensitivity analysis, level 3

DNB Group

Amounts in NOK million	Carrying amount 30 Sept. 2016	Effect of reasonably possible alternative assumptions
Loans to customers	95 628	(198)
Commercial paper and bonds	199	(1)
Shareholdings	5 071	
Financial derivatives, net	238	

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 power companies and the oil industry. A 10 basis point increase in the discount rate has had insignificant effects.

Level 3 equities represent a total of NOK 4 159 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.

Note 14 Commercial paper and bonds, held to maturity

			DNB Group
Amounts in NOK million	30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
International bond portfolio	13 185	19 162	23 070
DNB Livsforsikring AS	84 203	87 599	87 398
Other units [1)]	(1 424)	(1 537)	(1 526)
Commercial paper and bonds, held to maturity	**95 963**	**105 224**	**108 942**

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.

Effects of the reclassifications of the international bond portfolio

By measuring the portfolio at amortised cost, the value of the portfolio as at 30 September 2016 was NOK 0.4 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 10.7 billion at end-September 2016. The average term to maturity of the portfolio was 5.5 years, and the change in value resulting from a credit spread adjustment of one basis point was NOK 6.1 million at end-September 2016.

Effects on profits of the reclassification

					DNB Group
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2016	2015	2016	2015	2015
Recorded amortisation effect	31	25	65	86	95
Net gain, if valued at fair value	319	(376)	383	(175)	(170)
Effects of reclassification on profits	(288)	401	(317)	260	265

Effects on the balance sheet of the reclassification

			DNB Group
Amounts in NOK million	30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
Recorded unrealised losses	337	402	412
Unrealised losses, if valued at fair value	730	1 113	1 118
Effects of reclassification on the balance sheet	394	711	706

Development in the portfolio after the reclassification

			DNB Group
Amounts in NOK million	30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
Reclassified portfolio, carrying amount	10 712	14 686	15 752
Reclassified portfolio, if valued at fair value	10 319	13 975	15 045
Effects of reclassification on the balance sheet	394	711	706

Note 15 Investment properties

Amounts in NOK million	30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
			DNB Group
DNB Livsforsikring	15 097	15 195	25 242
Properties for own use	(798)	(794)	(3 894)
Other investment properties [1]	1 193	2 333	5 166
Total investment properties	**15 493**	**16 734**	**26 514**

1) Other investment properties are mainly related to acquired companies.

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 third quarter of 2016, external appraisals were obtained for a total of eight properties, representing 28 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 3.7 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 rate of return stipulated in the model reflects market risk. A required rate of return of 8.0 per cent has principally been used.

Value development and sensitivity

The value of investment properties in DNB Livsforsikring was adjusted upwards by NOK 93 million during the third quarter of 2016. 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 4.3 per cent or NOK 522 million. Correspondingly, a 5 per cent change in future market rents will change the value of the property portfolio by 1.3 per cent or NOK 154 million.

Changes in the value of investment properties

Amounts in NOK million	DNB Group Investment property
Carrying amount as at 31 December 2014	**30 404**
Additions, purchases of new properties	102
Additions, capitalised investments	207
Additions, acquired companies	403
Net gains	779
Disposals [1]	(5 868)
Exchange rate movements	487
Recorded value as at 30 September 2015	**26 514**
Carrying amount as at 31 December 2015	**16 734**
Additions, purchases of new properties	48
Additions, capitalised investments	179
Additions, acquired companies	1 270
Net gains [2]	171
Disposals [3]	(2 506)
Exchange rate movements	(403)
Carrying amount as at 30 September 2016	**15 493**

1) Includes NOK 2 638 million in investment properties in DNB Scandinavian Property Fund. The company was no longer consolidated from the third quarter of 2015, but presented as an associated company.
2) Of which NOK 32 million represented a net loss of investment properties which are not owned by DNB Livsforsikring.
3) Includes NOK 752 million in investment properties in the Baltics, reclassified as assets held for sale in August 2016.

Note 16 Assets and liabilities held for sale

On 25 August 2016 DNB and Nordea announced an agreement to combine their operations in Estonia, Latvia and Lithuania. The transaction is conditional upon regulatory approvals, and is expected to close in the second quarter of 2017. Nordea and DNB will have equal voting rights in the combined bank, while having different economic ownership levels that reflect the relative equity value of their contribution to the combined bank at the time of closing.

Once the transaction has been completed DNB Bank ASA will no longer have full control of its subsidiaries, but will be involved in the financial and operating policy decisions of the new company established together with Nordea. At end-September 2016 all assets and liabilities related to DNB's Baltic operations were presented as held for sale, while there were no changes in the presentation in the income statement. The capital adequacy reporting was not affected. No impairment loss has been recognised in the income statement following the reclassification. The subsidiaries are part of DNB's Large corporates and international customers segment. Following the completion of the transaction, DNB's ownership will be consolidated on one line in the financial statement according to the equity method.

The table below shows consolidated balance sheet amounts reclassified as assets and liabilities held for sale at end-September 2016.

	DNB Baltics
Amounts in NOK million	30 Sept. 2016
Assets	
Cash and deposits with central banks	2 741
Due from credit institutions	155
Loans to customers	45 887
Commercial paper and bonds at fair value	1 808
Shareholdings	43
Financial derivatives	78
Investment properties	719
Intangible assets	79
Deferred tax assets	106
Fixed assets	397
Other assets	306
Total assets	**52 318**
Liabilities	
Due to credit institutions	4 059
Deposits from customers	34 804
Financial derivatives	258
Payable taxes	4
Other liabilities	362
Provisions	5
Total liabilities	**39 492**

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	Balance sheet 30 Sept. 2016	Issued 2016	Matured/ redeemed 2016	Exchange rate movements 2016	Other adjustments 2016	Balance sheet 31 Dec. 2015
Commercial paper issued, nominal amount	147 687	8 670 881	(8 670 495)	(12 687)		159 988
Bond debt, nominal amount [1)]	597 599	83 450	(56 126)	(35 904)		606 179
Adjustments	39 667				906	38 761
Total debt securities issued	**784 953**	**8 754 331**	**(8 726 620)**	**(48 591)**	**906**	**804 928**

Debt securities issued

DNB Group

Amounts in NOK million	Balance sheet 30 Sept. 2015	Issued 2015	Matured/ redeemed 2015	Exchange rate movements 2015	Other adjustments 2015	Balance sheet 31 Dec. 2014
Commercial paper issued, nominal amount	186 681	1 481 574	(1 502 048)	440		206 715
Bond debt, nominal amount [1)]	603 129	74 981	(38 434)	5 931		560 650
Adjustments	40 503				(4 157)	44 660
Total debt securities issued	**830 313**	**1 556 555**	**(1 540 481)**	**6 371**	**(4 157)**	**812 025**

Subordinated loan capital and perpetual subordinated loan capital securities

DNB Group

Amounts in NOK million	Balance sheet 30 Sept. 2016	Issued 2016	Matured/ redeemed 2016	Exchange rate movements 2016	Other adjustments 2016	Balance sheet 31 Dec. 2015
Term subordinated loan capital, nominal amount	18 424		(3)	(1 411)		19 838
Perpetual subordinated loan capital, nominal amount	5 310			(392)		5 702
Perpetual subordinated loan capital securities, nominal amount	3 635			(926)		4 561
Adjustments	834				(19)	853
Total subordinated loan capital and perpetual subordinated loan capital securities	**28 202**		**(3)**	**(2 729)**	**(19)**	**30 953**

Subordinated loan capital and perpetual subordinated loan capital securities

DNB Group

Amounts in NOK million	Balance sheet 30 Sept. 2015	Issued 2015	Matured/ redeemed 2015	Exchange rate movements 2015	Other adjustments 2015	Balance sheet 31 Dec. 2014
Term subordinated loan capital, nominal amount	19 589	3 805	(4 604)	1 066		19 322
Perpetual subordinated loan capital, nominal amount	5 520			728		4 792
Perpetual subordinated loan capital securities, nominal amount	4 521			493		4 028
Adjustments	986				(190)	1 176
Total subordinated loan capital and perpetual subordinated loan capital securities	**30 617**	**3 805**	**(4 604)**	**2 287**	**(190)**	**29 319**

1) *Minus own bonds. The total nominal amount of outstanding covered bonds in DNB Boligkreditt was NOK 428.3 billion as at 30 September 2016. The market value of the cover pool represented NOK 595.2 billion.*

Note 18 Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information

Amounts in NOK million	DNB Group 30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
Performance guarantees	29 860	33 665	35 195
Payment guarantees	35 338	37 544	35 993
Loan guarantees	16 212	16 629	15 404
Guarantees for taxes etc.	6 558	7 271	7 270
Other guarantee commitments	2 695	3 258	3 471
Total guarantee commitments	90 663	98 366	97 333
Support agreements	11 096	11 827	9 852
Total guarantee commitments etc. *)	101 758	110 194	107 185
Unutilised credit lines and loan offers	605 937	598 132	614 951
Documentary credit commitments	3 165	4 790	5 415
Other commitments	965	51	598
Total commitments	610 067	602 973	620 963
Total guarantee and off-balance commitments	711 825	713 167	728 148
Pledged securities			
**) Of which counter-guaranteed by financial institutions*	*290*	*311*	*354*

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.

On 21 June 2016, the Norwegian Consumer Council instituted legal proceedings before the Oslo District Court against DNB Asset Management AS, a wholly-owned subsidiary of DNB ASA offering asset management services. The Norwegian Consumer Council seeks to institute a class action to pursue compensation of up to NOK 690 million on behalf of current and former investors in a fund managed by DNB Asset Management AS, as well as two funds merged into that fund. The lawsuit alleges that the funds were charging high fees for active management, but were actually tracking an index. DNB Asset Management AS rejects the allegations, and no provisions have been made in the accounts.

DNB ASA

Income statement

DNB ASA

Amounts in NOK million	3rd quarter 2016	3rd quarter 2015	January-September 2016	January-September 2015	Full year 2015
Total interest income	12	32	32	96	108
Total interest expenses	(93)	(67)	(213)	(185)	(246)
Net interest income	**(81)**	**(35)**	**(181)**	**(88)**	**(138)**
Commissions and fees payable	(2)	(3)	(6)	(5)	(5)
Other income [1)]	200		200		8 282
Net other operating income	**198**	**(3)**	**194**	**(5)**	**8 276**
Total income	**117**	**(37)**	**13**	**(94)**	**8 139**
Salaries and other personnel expenses	(1)	(1)	(3)	(4)	(6)
Other expenses	(116)	(102)	(347)	(302)	(402)
Total operating expenses	**(117)**	**(103)**	**(350)**	**(306)**	**(408)**
Pre-tax operating profit	**1**	**(140)**	**(338)**	**(400)**	**7 731**
Tax expense	(0)	38	84	108	(1 815)
Profit for the period	**0**	**(102)**	**(253)**	**(292)**	**5 916**
Earnings/diluted earnings per share (NOK)	0.00	(0.06)	(0.16)	(0.18)	3.63
Earnings per share excluding operations held for sale (NOK)	0.00	(0.06)	(0.16)	(0.18)	3.63

Balance sheet

DNB ASA

Amounts in NOK million	30 Sept. 2016	31 Dec. 2015	30 Sept. 2015
Assets			
Due from DNB Bank ASA	8 322	6 160	6 192
Investments in group companies	68 980	68 980	67 885
Receivables due from group companies [1)]		8 369	90
Other assets			108
Total assets	**77 302**	**83 510**	**74 275**
Liabilities and equity			
Short-term amounts due to DNB Bank ASA	7	6	5
Due to other group companies		1 500	
Other liabilities and provisions	1 326	8 740	
Long-term amounts due to DNB Bank ASA	16 228	13 269	13 153
Total liabilities	**17 562**	**23 516**	**13 158**
Share capital	16 288	16 288	16 288
Share premium	22 556	22 556	22 556
Other equity	20 896	21 149	22 271
Total equity	**59 740**	**59 994**	**61 115**
Total liabilities and equity	**77 302**	**83 510**	**74 275**

1) Of which dividend from DNB Forsikring AS represented NOK 200 million in the third quarter of 2016. Group contributions from DNB Bank ASA represented NOK 6 849 million in 2015. The group contribution from DNB Livsforsikring AS and DNB Forsikring AS represented NOK 1 095 million and NOK 150 million in 2015. The group contribution from DNB Asset Management Holding AS represented NOK 275 million in 2015.

Statement of changes in equity

DNB ASA

Amounts in NOK million	Share capital	Share premium	Other equity	Total equity
Balance sheet as at 31 December 2014	**16 288**	**22 556**	**22 563**	**61 408**
Profit for the period			(292)	(292)
Balance sheet as at 30 Sept. 2015	**16 288**	**22 556**	**22 271**	**61 115**
Balance sheet as at 31 December 2015	**16 288**	**22 556**	**21 149**	**59 994**
Profit for the period			(253)	(253)
Balance sheet as at 30 Sept. 2016	**16 288**	**22 556**	**20 896**	**59 740**

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 company when preparing the financial statements appear in note 1 Accounting principles in the annual report for 2015.

Key figures

	3rd quarter 2016	3rd quarter 2015	January-September 2016	January-September 2015	Full year 2015
					DNB Group
Interest rate analysis					
1. Combined weighted total average spread for lending and deposits - customer segments (%) [1) 2)]	1.30	1.32	1.33	1.33	1.33
2. Average spread for ordinary lending to customers (%) [1) 2)]	2.03	2.13	2.06	2.19	2.17
3. Average spread for deposits from customers (%) [1) 2)]	0.19	0.08	0.20	(0.02)	0.01
Rate of return/profitability					
4. Net other operating income, per cent of total income	31.7	33.2	34.9	36.0	34.5
5. Cost/income ratio (%)	40.6	39.6	40.8	39.6	36.9
6. Return on equity, annualised (%)	8.5	14.7	9.9	14.3	14.5
7. RAROC, annualised (%)	10.9	10.3	11.2	11.1	11.2
8. Average equity including allocated dividend (NOK million)	184 147	168 905	183 066	165 730	168 509
9. Return on average risk-weighted volume, annualised (%)	1.49	2.15	1.68	2.07	2.14
Financial strength at end of period					
10. Common equity Tier 1 capital ratio, transitional rules (%) [3)]	15.7	13.1	15.7	13.1	14.4
11. Tier 1 capital ratio, transitional rules (%) [3)]	16.8	14.0	16.8	14.0	15.3
12. Capital ratio, transitional rules (%) [3)]	18.6	16.3	18.6	16.3	17.8
13. Common equity Tier 1 capital (NOK million) [3)]	163 756	152 778	163 756	152 778	162 906
14. Risk-weighted volume, transitional rules (NOK million)	1 045 272	1 166 293	1 045 272	1 166 293	1 129 373
Loan portfolio and impairment					
15. Individual impairment relative to average net loans to customers, annualised (%) [1)]	(0.41)	0.07	(0.32)	(0.09)	(0.13)
16. Impairment relative to average net loans to customers, annualised (%) [1)]	(0.56)	0.10	(0.49)	(0.08)	(0.15)
17. Net non-performing and net doubtful loans and guarantees, per cent of net loans [1)]	1.32	0.78	1.32	0.78	0.76
18. Net non-performing and net doubtful loans and guarantees at end of period (NOK million) [1)]	22 589	13 636	22 589	13 636	13 982
Liquidity					
19. Ratio of customer deposits to net loans to customers at end of period (%)	61.8	63.3	61.8	63.3	61.2
Total assets owned or managed by DNB					
20. Customer assets under management at end of period (NOK billion)	538	543	538	543	563
21. Total combined assets at end of period (NOK billion)	2 920	3 033	2 920	3 033	2 901
22. Average total assets (NOK billion)	2 779	2 761	2 879	2 911	2 946
23. Customer savings at end of period (NOK billion) [1)]	1 491	1 513	1 491	1 513	1 507
Staff					
24. Number of full-time positions at end of period	10 883	11 443	10 883	11 443	11 380
The DNB share					
25. Number of shares at end of period (1 000)	1 628 799	1 628 799	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	1 628 799	1 628 799
27. Earnings per share (NOK)	2.43	3.83	8.30	10.88	14.98
28. Earnings per share excl. operations held for sale (NOK)	2.43	3.84	8.32	10.93	15.01
29. Dividend per share (NOK)					4.50
30. Total shareholders' return (%)	10.1	(13.0)	(0.4)	2.8	1.9
31. Dividend yield (%)					4.10
32. Equity per share incl. allocated dividend at end of period (NOK)	113.15	106.61	113.15	106.61	111.57
33. Share price at end of period (NOK)	104.70	110.70	104.70	110.70	109.80
34. Price/earnings ratio	10.78	7.22	9.46	7.63	7.33
35. Price/book value	0.93	1.04	0.93	1.04	0.98
36. Market capitalisation (NOK billion)	170.5	180.3	170.5	180.3	178.8

1) Includes assets and liabilities in the Baltics, reclassified as held for sale in August 2016.
2) As from the first quarter of 2016, interest rate spreads are based on customer segments. Figures for previous periods have been restated accordingly.
3) 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 customer segments and nominal values and 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 excluding additional Tier 1 capital.
7	RAROC (Risk-Adjusted Return On Capital) is defined as risk-adjusted profits (shareholders' share) relative to average equity excluding additional Tier 1 capital. 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 Forsikring.
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 26 April 2016 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 26 April 2016. 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	3rd quarter 2016	2nd quarter 2016	1st quarter 2016	4th quarter 2015	3rd quarter 2015
Total interest income	12 976	12 880	13 295	13 934	14 348
Total interest expenses	(4 495)	(4 336)	(4 582)	(4 872)	(5 367)
Net interest income	**8 481**	**8 544**	**8 713**	**9 062**	**8 981**
Commission and fee income	2 851	2 992	2 794	2 916	2 867
Commission and fee expenses	(835)	(856)	(803)	(834)	(787)
Net gains on financial instruments at fair value	1 411	1 029	2 384	2 164	1 945
Net financial result, DNB Livsforsikring	45	(68)	9	(928)	(151)
Net risk result, DNB Livsforsikring	109	234	103	247	220
Net insurance result, DNB Forsikring	148	204	115	132	132
Profit from investments accounted for by the equity method	(0)	1 148	86	(28)	(1)
Net gains on investment properties	(5)	(18)	(5)	122	143
Other income	205	287	259	35	105
Net other operating income	**3 929**	**4 952**	**4 942**	**3 825**	**4 472**
Total income	**12 409**	**13 496**	**13 655**	**12 888**	**13 453**
Salaries and other personnel expenses	(2 874)	(2 911)	(3 277)	(1 106)	(2 905)
Other expenses	(1 694)	(1 965)	(1 765)	(1 931)	(1 806)
Depreciation and impairment of fixed and intangible assets	(475)	(510)	(668)	(590)	(608)
Total operating expenses	**(5 043)**	**(5 385)**	**(5 711)**	**(3 626)**	**(5 319)**
Pre-tax operating profit before impairment	**7 366**	**8 111**	**7 945**	**9 262**	**8 134**
Net gains on fixed and intangible assets	20	(20)	(6)	(9)	(3)
Impairment of loans and guarantees	(2 176)	(2 321)	(1 174)	(1 420)	392
Pre-tax operating profit	**5 209**	**5 770**	**6 764**	**7 833**	**8 523**
Tax expense	(1 130)	(1 190)	(1 529)	(1 077)	(2 139)
Profit from operations held for sale, after taxes	1	(10)	(13)	28	(14)
Profit for the period	**4 080**	**4 569**	**5 222**	**6 784**	**6 370**
Portion attributable to shareholders	3 952	4 454	5 107	6 658	6 245
Portion attributable to additional Tier 1 capital holders	128	115	115	126	125
Profit for the period	**4 080**	**4 569**	**5 222**	**6 784**	**6 370**
Earnings/diluted earnings per share (NOK)	2.43	2.74	3.14	4.11	3.83

Comprehensive income statement

DNB Group

Amounts in NOK million	3rd quarter 2016	2nd quarter 2016	1st quarter 2016	4th quarter 2015	3rd quarter 2015
Profit for the period	**4 080**	**4 569**	**5 222**	**6 784**	**6 370**
Actuarial gains and losses	(122)		(39)	31	(220)
Property revaluation	7	1	2	(282)	(131)
Items allocated to customers (life insurance)	(7)	(1)	(2)	282	131
Items that will not be reclassified to the income statement	(122)		(39)	31	(220)
Currency translation of foreign operations [1]	(4 321)	(1 340)	(4 376)	2 369	5 326
Currency translation reserve reclassified to the income statement		(43)			
Hedging of net investment [2]	2 950	843	2 968	(1 578)	(3 411)
Investments according to the equity method [3]	4		(33)	889	
Investments according to the equity method, reclassified to the income statement [3]		(855)			
Items that may subsequently be reclassified to the income statement	(1 367)	(1 395)	(1 442)	1 680	1 915
Other comprehensive income for the period (net of tax)	**(1 489)**	**(1 395)**	**(1 480)**	**1 710**	**1 695**
Comprehensive income for the period	**2 591**	**3 173**	**3 742**	**8 494**	**8 066**

1) Currency translation effects related to the Baltics represented a loss of NOK 302 million in the third quarter of 2016.

2) Hedging of net investments in the Baltics came to NOK 182 million in the third quarter of 2016, net of tax.

3) DNB had indirect ownership interests in Visa Europe through its membership in Visa Norge. In connection with the valuation of the holdings in Visa Europe as at 31 March 2016 an accumulated gain of NOK 855 million was recognised in other comprehensive income. Upon the completion of the acquisition of Visa Europe by Visa Inc in the second quarter of 2016, this amount was reclassified to profit and a total gain of NOK 1 128 million was recognised as "Profit from investments accounted for by the equity method" in the income statement.

Profit and balance sheet trends (continued)

Balance sheet

DNB Group

Amounts in NOK million	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015
Assets					
Cash and deposits with central banks	175 212	154 438	166 587	19 317	186 874
Due from credit institutions	192 931	214 902	180 065	301 216	238 405
Loans to customers	1 484 756	1 542 285	1 534 902	1 542 744	1 531 237
Commercial paper and bonds at fair value	302 291	300 706	286 273	289 695	303 757
Shareholdings	21 205	25 626	27 578	19 341	23 041
Financial assets, customers bearing the risk	56 417	52 893	50 967	49 679	46 344
Financial derivatives	187 023	198 953	215 743	203 029	217 399
Commercial paper and bonds, held to maturity	95 963	99 489	100 516	105 224	108 942
Investment properties	15 493	16 419	15 416	16 734	26 514
Investments accounted for by the equity method	7 901	7 869	9 715	9 525	8 450
Intangible assets	5 759	5 903	5 963	6 076	6 123
Deferred tax assets	943	1 061	1 100	1 151	1 315
Fixed assets	7 898	8 565	8 717	8 860	11 838
Assets held for sale	52 482	180	204	200	193
Other assets	45 210	35 867	35 338	25 739	33 286
Total assets	**2 651 484**	**2 665 157**	**2 639 081**	**2 598 530**	**2 743 717**
Liabilities and equity					
Due to credit institutions	192 979	189 824	160 778	161 537	253 332
Deposits from customers	917 952	961 138	927 559	944 428	970 023
Financial derivatives	155 491	156 121	173 398	154 663	169 045
Debt securities issued	784 953	811 523	829 997	804 928	830 313
Insurance liabilities, customers bearing the risk	56 417	52 893	50 967	49 679	46 344
Liabilities to life insurance policyholders in DNB Livsforsikring	210 425	210 027	210 230	208 726	205 257
Insurance liabilities, DNB Forsikring	2 057	2 108	2 125	1 846	1 921
Payable taxes	7 093	5 080	4 186	2 093	4 260
Deferred taxes	7 860	7 950	7 780	7 672	6 723
Other liabilities	49 806	43 174	44 009	37 675	37 302
Liabilities held for sale	39 547	59	56	71	55
Provisions	1 762	1 725	1 570	1 285	1 192
Pension commitments	3 003	2 757	2 684	2 549	5 077
Subordinated loan capital	28 202	29 498	29 826	30 953	30 617
Total liabilities	**2 457 549**	**2 473 878**	**2 445 165**	**2 408 105**	**2 561 460**
Share capital	16 288	16 282	16 268	16 257	16 286
Share premium	22 609	22 609	22 609	22 609	22 609
Additional Tier 1 capital	9 641	9 559	8 067	8 353	8 251
Other equity	145 397	142 829	146 972	143 207	135 110
Total equity	**193 935**	**191 279**	**193 916**	**190 425**	**182 257**
Total liabilities and equity	**2 651 484**	**2 665 157**	**2 639 081**	**2 598 530**	**2 743 717**

Information about the DNB Group

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Board of Directors in DNB ASA

Anne Carine Tanum, chairman
Tore Olaf Rimmereid, vice-chairman
Jarle Bergo
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
Benedicte Schilbred Fasmer	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
Rune Garborg	Group executive vice president Vipps and Payments
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
Kari Olrud Moen	Group executive vice president
Kjerstin Braathen	Group executive vice president

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Financial calendar

Q4 2016	2 February 2017
Capital markets day 2016	16 November 2016
Annual general meeting 2017	25 April 2017
Ex-dividend date 2017	26 April 2017
Distribution of dividends 2017	as of 5 May 2017
Q1 2017	28 April 2017
Q2 2017	12 July 2017
Q3 2017	26 October 2017
Capital markets day 2017	21 November 2017

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.

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