

Fact book

DNB Group

DNB

SECOND QUARTER 2017
(Unaudited)

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Financial calendar

2017

26 October	Q3 2017
21 November	Capital markets day

2018

1 February	Q4 2017
8 March	Annual report 2017
24 April	Annual general meeting
25 April	Ex-dividend date
26 April	Q1 2018
as of 4 May	Distribution of dividends
12 July	Q2 2018
25 October	Q3 2018

Statements regarding DNB's relative market positions are, unless otherwise specified, based on internal DNB analyses.

No major changes from 1Q17

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Chapter 1 - Financial results DNB Group

Financial results and key figures

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Operating expenses

Loans

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Non-performing and doubtful loans

Commitments (on and off-balance sheet items)

Liquidity and funding

Capital adequacy

1.1.1 Income statement - condensed ¹⁾

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income	9 031	8 521	8 372	8 481	8 544	8 713	9 062	8 981	8 728
<i>Net commissions and fees</i>	2 161	2 073	2 136	2 016	2 136	1 991	2 082	2 080	2 489
<i>Net gains on financial instruments at fair value ²⁾</i>	982	808	1 689	1 411	1 029	2 384	2 164	1 945	1 174
<i>Net financial and risk result, DNB Livsforsikring</i>	454	240	232	154	166	112	(681)	69	170
<i>Net insurance result, DNB Forsikring</i>	189	155	181	148	204	115	132	132	166
<i>Other operating income</i>	196	123	(9)	200	1 418	340	129	247	221
Net other operating income, total ³⁾	3 982	3 399	4 230	3 929	4 952	4 942	3 825	4 472	4 221
Total income	13 014	11 920	12 602	12 409	13 496	13 655	12 888	13 453	12 949
Operating expenses	(5 518)	(5 243)	(5 213)	(5 042)	(5 281)	(5 157)	(5 437)	(5 103)	(5 312)
Restructuring costs and non-recurring effects	(97)	(197)	19	(1)	(104)	(553)	1 811	(216)	(215)
Pre-tax operating profit before impairment	7 399	6 479	7 409	7 366	8 111	7 945	9 262	8 134	7 422
Net gains on fixed and intangible assets	17	6	(12)	20	(20)	(6)	(9)	(3)	45
Impairment of loans and guarantees	(597)	(562)	(1 753)	(2 176)	(2 321)	(1 174)	(1 420)	392	(667)
Pre-tax operating profit	6 819	5 923	5 644	5 209	5 770	6 764	7 833	8 523	6 800
Tax expense	(1 568)	(1 362)	(290)	(1 130)	(1 190)	(1 529)	(1 077)	(2 139)	(1 702)
Profit from operations held for sale, after taxes	(14)	(17)	26	1	(10)	(13)	28	(14)	(17)
Profit for the period	5 237	4 544	5 380	4 080	4 569	5 222	6 784	6 370	5 081
Portion attributable to shareholders	5 000	4 304	5 143	3 952	4 454	5 107	6 658	6 245	4 971

1) For more details, see table 1.1.3.

2) See table 1.1.2 "Net gains on financial instruments at fair value" for specification.

3) See table 1.3.1 "Net other operating income" for specification.

1.1.2 Net gains on financial instruments at fair value

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Customer revenues in DNB Markets	587	588	631	583	665	562	628	508	573
Trading revenues in DNB Markets (excl. CVA/DVA/FVA and credit spread effects)	393	503	790	639	671	464	782	474	440
Credit spread effects on bonds in DNB Markets	86	185	(24)	296	67	(114)	(235)	(582)	(132)
Financial guarantees	192	168	103	187	110	194	187	228	233
Basis swaps ¹⁾	(60)	(620)	(713)	(444)	(388)	1 003	(4)	933	(54)
CVA/DVA/FVA ²⁾	(0)	48	321	328	(533)	(93)	367	(414)	252
Exchange rate effects on additional Tier 1 capital	(296)	(25)	794	(282)	71	(389)	212	504	(191)
Other mark-to-market adjustments	80	(39)	(214)	104	367	757	227	294	52
Net gains on financial instruments at fair value	982	808	1 689	1 411	1 029	2 384	2 164	1 945	1 174

Full year figures

Amounts in NOK million	YTD 2017	2016	2015	2014	2013	2012
Customer revenues in DNB Markets	1 175	2 441	2 331	1 908	1 810	1 876
Trading revenues in DNB Markets (excl. CVA/DVA/FVA and credit spread effects)	895	2 563	2 207	1 282	1 895	2 593
Credit spread effects on bonds in DNB Markets	271	225	(809)	302	134	1 184
Financial guarantees	361	595	876	879	828	519
Basis swaps ¹⁾	(680)	(542)	2 685	394	(1 363)	(1 685)
CVA/DVA/FVA ²⁾	48	22	181	(597)	-	-
Exchange rate effects on additional Tier 1 capital	(322)					
Other mark-to-market adjustments	42	1 209	1 213	1 149	1 729	(923)
Net gains on financial instruments at fair value	1 790	6 513	8 683	5 317	5 032	3 564

1) Basis swaps are derivative contracts entered into by the bank when issuing senior bonds or raising other long-term funding in the international capital markets and converting the relevant currency to Norwegian kroner. The Norwegian bond market is very small and illiquid, which means that there is a great need for international funding hedged by such instruments. In periods of financial market turbulence, there will be stronger demand for "secure" currencies such as the US dollar. Thus, prices will increase for swaps where USD will be supplied on a future date. When prices of new swap contracts increase, so will the market value of existing swap contracts. This will give an increase in recorded income. However, such changes in value recorded in a quarter will be reversed in subsequent quarters, either because the market is stabilising or because the maturity date of the derivative contract is approaching.

2) The fair value of derivative instruments is adjusted for the credit risk of the counterparty (Credit Valuation Adjustment, or "CVA") and DNB's own credit risk (Debit Valuation Adjustments, or "DVA"). CVA and DVA are estimated based on the simulated expected exposure, probability of default, and loss given default. Counterparty credit risk is assessed based on market implied default probabilities (observed CDS spreads or indices), as well as the company's own credit models. From the second quarter 2016 the fair value measurement of OTC derivatives also includes the funding valuation adjustment (FVA) for uncollateralized customer transactions. These transactions will be covered in the interbank market, and DNB will be required to provide collateral if the market value is negative. FVA represent the additional funding costs related to this collateral.

1.1.3 Full income statement - quarterly figures

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Total interest income	13 709	13 223	13 273	12 976	12 880	13 295	13 934	14 348	14 425
Total interest expenses	(4 677)	(4 702)	(4 901)	(4 495)	(4 336)	(4 582)	(4 872)	(5 367)	(5 697)
Net interest income	9 031	8 521	8 372	8 481	8 544	8 713	9 062	8 981	8 728
Commission and fee income etc.	3 026	2 944	2 814	2 851	2 992	2 794	2 916	2 867	3 244
Commission and fee expenses etc.	(866)	(871)	(678)	(835)	(856)	(803)	(834)	(787)	(755)
Net gains on financial instruments at fair value ¹⁾	982	808	1 689	1 411	1 029	2 384	2 164	1 945	1 174
Net financial result, DNB Livsforsikring	372	117	(57)	45	(68)	9	(928)	(151)	(75)
Net risk result, DNB Livsforsikring	83	123	290	109	234	103	247	220	245
Net insurance result, DNB Forsikring	189	155	181	148	204	115	132	132	166
Profit from investments accounted for by the equity method	23	(45)	(45)	(0)	1 148	86	(28)	(1)	(74)
Net gains on investment properties	(14)	14	(7)	(5)	(18)	(5)	122	143	2
Other income	187	154	44	205	287	259	35	105	293
Net other operating income	3 982	3 399	4 230	3 929	4 952	4 942	3 825	4 472	4 221
Total income	13 014	11 920	12 602	12 409	13 496	13 655	12 888	13 453	12 949
Salaries and other personnel expenses	(3 049)	(3 056)	(2 842)	(2 874)	(2 911)	(3 277)	(1 106)	(2 905)	(2 953)
Other expenses	(2 088)	(1 874)	(1 828)	(1 694)	(1 965)	(1 765)	(1 931)	(1 806)	(2 056)
Depreciation and impairment of fixed and intangible assets	(478)	(510)	(524)	(475)	(510)	(668)	(590)	(608)	(518)
Total operating expenses	(5 615)	(5 441)	(5 194)	(5 043)	(5 385)	(5 711)	(3 626)	(5 319)	(5 527)
Pre-tax operating profit before impairment	7 399	6 479	7 409	7 366	8 111	7 945	9 262	8 134	7 422
Net gains on fixed and intangible assets	17	6	(12)	20	(20)	(6)	(9)	(3)	45
Impairment of loans and guarantees	(597)	(562)	(1 753)	(2 176)	(2 321)	(1 174)	(1 420)	392	(667)
Pre-tax operating profit	6 819	5 923	5 644	5 209	5 770	6 764	7 833	8 523	6 800
Tax expense	(1 568)	(1 362)	(290)	(1 130)	(1 190)	(1 529)	(1 077)	(2 139)	(1 702)
Profit from operations held for sale, after taxes	(14)	(17)	26	1	(10)	(13)	28	(14)	(17)
Profit for the period	5 237	4 544	5 380	4 080	4 569	5 222	6 784	6 370	5 081
Portion attributable to shareholders	5 000	4 304	5 143	3 952	4 454	5 107	6 658	6 245	4 972
Portion attributable to additional Tier 1 capital holders	238	240	238	128	115	115	126	125	110
Profit for the period	5 237	4 544	5 380	4 080	4 569	5 222	6 784	6 370	5 081
Earnings/diluted earnings per share (NOK)	3.07	2.64	3.16	2.43	2.74	3.14	4.11	3.83	3.04
Earnings per share excluding operations held for sale (NOK)	3.08	2.65	3.14	2.43	2.74	3.15	4.10	3.84	3.05

Average exchange rates in the period:

EUR/NOK	9.37	8.99	9.05	9.29	9.32	9.52	9.33	9.14	8.57
USD/NOK	8.51	8.45	8.39	8.32	8.26	8.64	8.52	8.21	7.76

1) See table 1.1.2 "Net gains on financial instruments at fair value" for specification.

1.1.4 Comprehensive income statement - quarterly figures

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Profit for the period	5 237	4 544	5 380	4 080	4 569	5 222	6 784	6 370	5 081
Actuarial gains and losses			(23)	(122)		(39)	31	(220)	863
Property revaluation	(28)	22	37	7	1	2	(282)	(131)	181
Items allocated to customers (life insurance)	28	(22)	(37)	(7)	(1)	(2)	282	131	(181)
Items that will not be reclassified to the income statement	0	0	(23)	(122)	0	(39)	31	(220)	863
Currency translation of foreign operations	895	531	3 562	(4 321)	(1 340)	(4 376)	2 369	5 326	(697)
Currency translation reserve reclassified to the income statement					(43)				
Hedging of net investments	(516)	(252)	(2 415)	2 950	843	2 968	(1 578)	(3 411)	402
Investments according to the equity method ¹⁾	12	87	4	4		(33)	889		
Investments according to the equity method reclassified to the income statement ¹⁾					(855)				
Items that may subsequently be reclassified to the income statement	391	366	1 151	(1 367)	(1 395)	(1 442)	1 680	1 915	(295)
Other comprehensive income for the period (net of tax)	391	366	1 128	(1 489)	(1 395)	(1 480)	1 710	1 695	568
Comprehensive income for the period	5 629	4 910	6 509	2 591	3 173	3 742	8 494	8 066	5 649

1) 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.

1.1.5 Income statement - five years

Amounts in NOK million	YTD 2017	2016	2015	2014	2013	2012
Total interest income	26 931	52 424	57 532	61 445	60 404	63 068
Total interest expenses	(9 379)	(18 314)	(22 174)	(28 959)	(30 212)	(35 853)
Net interest income	17 552	34 110	35 358	32 487	30 192	27 216
Commission and fee income etc.	5 971	11 452	11 963	11 565	10 916	10 433
Commission and fee expenses etc.	(1 737)	(3 172)	(3 101)	(2 597)	(2 379)	(2 337)
Net gains on financial instruments at fair value ¹⁾	1 790	6 513	8 683	5 317	5 032	3 910
Net financial result, DNB Livsforsikring	488	(72)	(1 251)	(79)	554	1 032
Net risk result, DNB Livsforsikring	206	736	861	688	467	(319)
Net insurance result, DNB Forsikring	344	648	534	491	418	325
Profit from investments accounted for by the equity method	(21)	1 189	(72)	226	362	789
Net gains on investment properties	0	(35)	269	82	(86)	(340)
Other income	341	795	762	1 182	1 144	1 007
Net other operating income	7 382	18 053	18 648	16 877	16 427	14 501
Total income	24 934	52 163	54 006	49 363	46 619	41 717
Salaries and other personnel expenses	(6 105)	(11 904)	(9 822)	(10 872)	(11 307)	(10 987)
Other expenses	(3 962)	(7 251)	(7 790)	(7 645)	(7 850)	(7 451)
Depreciation and impairment of fixed and intangible assets	(988)	(2 177)	(2 298)	(2 158)	(2 719)	(2 322)
Total operating expenses	(11 055)	(21 333)	(19 910)	(20 675)	(21 875)	(20 760)
Pre-tax operating profit before impairment	13 878	30 830	34 096	28 689	24 744	20 957
Net gains on fixed and intangible assets	23	(19)	45	52	151	(1)
Impairment of loans and guarantees	(1 159)	(7 424)	(2 270)	(1 639)	(2 185)	(3 179)
Pre-tax operating profit	12 743	23 387	31 871	27 102	22 709	17 776
Tax expense	(2 931)	(4 140)	(7 048)	(6 463)	(5 202)	(4 081)
Profit from operations held for sale, after taxes	(31)	4	(51)	(22)	4	96
Profit for the period	9 781	19 251	24 772	20 617	17 511	13 792
Portion attributable to shareholders	9 304	18 656	24 398	20 617	17 511	13 792
Portion attributable to additional Tier 1 capital holders	478	595	374			
Profit for the period	9 781	19 251	24 772	20 617	17 511	13 792
Earnings/diluted earnings per share (NOK)	5.71	11.46	14.98	12.67	10.75	8.48
Earnings per share excluding operations held for sale (NOK)	5.73	11.46	15.01	12.68	10.75	8.42

Average exchange rates in the period:

EUR/NOK	9.18	9.29	8.95	8.36	7.81	7.48
USD/NOK	8.48	8.40	8.07	6.30	5.88	5.82

1) See table 1.1.2 "Net gains on financial instruments at fair value" for specification.

1.1.6 Comprehensive income statement - five years

Amounts in NOK million	YTD 2017	2016	2015	2014	2013	2012
Profit for the period	9 781	19 251	24 772	20 617	17 511	13 792
Actuarial gains and losses		(183)	673	(2 101)	(469)	2 947
Property revaluation	(6)	47	(204)	191	124	45
Items allocated to customers (life insurance)	6	(47)	204	(191)	(124)	(45)
Items that will not be reclassified to the income statement	0	(183)	673	(2 101)	(469)	2 947
Currency translation of foreign operations	1 426	(6 476)	9 612	7 149	3 478	(1 216)
Currency translation reserve reclassified to the income statement		(43)				
Hedging of net investments	(768)	4 346	(6 203)	(4 526)	(2 425)	1 006
Investments according to the equity method ¹⁾	100	(25)	889			
Investments according to the equity method reclassified to the income statement ¹⁾		(855)				
Items that may subsequently be reclassified to the income statement	757	(3 052)	4 298	2 623	1 053	(210)
Other comprehensive income for the period (net of tax)	757	(3 236)	4 972	522	584	2 736
Comprehensive income for the period	10 538	16 015	29 744	21 138	18 096	16 528

1) 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.

1.1.7 Full balance sheet - quarterly figures

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK million</i>									
Assets									
Cash and deposits with central banks	265 552	368 518	208 263	175 212	154 438	166 587	19 317	186 874	158 812
Due from credit institutions	160 749	200 848	176 442	192 931	214 902	180 065	301 216	238 405	247 774
Loans to customers	1 551 738	1 531 096	1 509 078	1 484 756	1 542 285	1 534 902	1 542 744	1 531 237	1 491 304
Commercial paper and bonds at fair value	274 258	298 948	296 642	302 291	300 706	286 273	289 695	303 757	284 088
Shareholdings	26 794	28 535	22 512	21 205	25 626	27 578	19 341	23 041	26 149
Financial assets, customers bearing the risk	67 680	64 688	60 220	56 417	52 893	50 967	49 679	46 344	47 512
Financial derivatives	139 643	141 449	157 940	187 023	198 953	215 743	203 029	217 399	181 834
Commercial paper and bonds, held to maturity	88 191	92 433	94 008	95 963	99 489	100 516	105 224	108 942	111 187
Investment properties	16 139	15 967	15 912	15 493	16 419	15 416	16 734	26 514	28 028
Investments accounted for by the equity method	7 936	7 926	7 768	7 901	7 869	9 715	9 525	8 450	5 957
Intangible assets	5 854	5 767	5 814	5 759	5 903	5 963	6 076	6 123	6 153
Deferred tax assets	1 391	1 406	1 404	943	1 061	1 100	1 151	1 315	1 227
Fixed assets	8 317	8 125	7 949	7 898	8 565	8 717	8 860	11 838	13 717
Assets held for sale	55 950	53 365	52 541	52 482	180	204	200	193	574
Other assets	52 616	51 375	36 709	45 210	35 867	35 338	25 739	33 286	37 423
Total assets	2 722 809	2 870 447	2 653 201	2 651 484	2 665 157	2 639 081	2 598 530	2 743 717	2 641 739
Liabilities and equity									
Due to credit institutions	215 633	273 010	212 882	192 979	189 824	160 778	161 537	253 332	228 807
Deposits from customers	1 008 878	1 016 896	934 897	917 952	961 138	927 559	944 428	970 023	969 970
Financial derivatives	111 659	111 697	130 161	155 491	156 121	173 398	154 663	169 045	141 055
Debt securities issued	758 402	832 521	765 869	784 953	811 523	829 997	804 928	830 313	775 208
Insurance liabilities, customers bearing the risk	67 680	64 688	60 220	56 417	52 893	50 967	49 679	46 344	47 512
Liabilities to life insurance policyholders in DNB Livsforsikring	209 230	209 354	208 160	210 425	210 027	210 230	208 726	205 257	207 024
Insurance liabilities, DNB Forsikring	2 206	2 259	1 892	2 057	2 108	2 125	1 846	1 921	1 967
Payable taxes	1 900	9 222	8 874	7 093	5 080	4 186	2 093	4 260	3 832
Deferred taxes	3 915	3 891	3 816	7 860	7 950	7 780	7 672	6 723	6 868
Other liabilities	58 603	60 983	44 568	49 806	43 174	44 009	37 675	37 302	50 706
Liabilities held for sale	43 106	41 671	41 243	39 547	59	56	71	55	76
Provisions	2 129	1 885	2 094	1 762	1 725	1 570	1 285	1 192	1 172
Pension commitments	2 974	2 867	2 756	3 003	2 757	2 684	2 549	5 077	4 744
Subordinated loan capital	29 426	28 795	29 347	28 202	29 498	29 826	30 953	30 617	28 578
Total liabilities	2 515 741	2 659 740	2 446 779	2 457 549	2 473 878	2 445 165	2 408 105	2 561 460	2 467 518
Share capital	16 288	16 283	16 286	16 288	16 282	16 268	16 257	16 286	16 288
Share premium	22 609	22 609	22 609	22 609	22 609	22 609	22 609	22 609	22 609
Additional Tier 1 capital	15 787	15 594	15 952	9 641	9 559	8 067	8 353	8 251	8 153
Other equity	152 385	156 221	151 576	145 397	142 829	146 972	143 207	135 110	127 171
Total equity	207 069	210 707	206 423	193 935	191 279	193 916	190 425	182 257	174 221
Total liabilities and equity	2 722 809	2 870 447	2 653 201	2 651 484	2 665 157	2 639 081	2 598 530	2 743 717	2 641 739

Exchange rates at the end of the period:

EUR/NOK	9.59	9.18	9.08	8.97	9.31	9.44	9.60	9.53	8.78
USD/NOK	8.40	8.60	8.61	8.00	8.37	8.28	8.80	8.52	7.84

1.1.8 Balance sheet - five years

Amounts in NOK million	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	31 Dec. 2012
Assets					
Cash and deposits with central banks	208 263	19 317	58 505	167 171	298 892
Due from credit institutions	176 442	301 216	373 409	180 882	37 136
Loans to customers	1 509 078	1 542 744	1 438 839	1 340 831	1 297 892
Commercial paper and bonds at fair value	296 642	289 695	268 302	277 764	245 738
Shareholdings	22 512	19 341	26 870	29 826	27 300
Financial assets, customers bearing the risk	60 220	49 679	42 866	35 512	28 269
Financial derivatives	157 940	203 029	235 736	130 939	152 024
Commercial paper and bonds, held to maturity	94 008	105 224	118 667	152 883	157 330
Investment properties	15 912	16 734	30 404	32 753	38 857
Investments accounted for by the equity method	7 768	9 525	5 866	5 802	5 276
Intangible assets	5 814	6 076	6 286	6 511	6 718
Deferred tax assets	1 404	1 151	1 213	1 104	1 123
Fixed assets	7 949	8 860	13 830	12 498	10 825
Assets held for sale	52 541	200	692	225	417
Other assets	36 709	25 739	27 855	30 806	21 569
Total assets	2 653 201	2 598 530	2 649 341	2 405 507	2 329 365
Liabilities and equity					
Due to credit institutions	212 882	161 537	214 214	234 219	251 388
Deposits from customers	934 897	944 428	941 534	867 904	810 959
Financial derivatives	130 161	154 663	184 971	111 310	118 714
Debt securities issued	765 869	804 928	812 025	711 555	708 047
Insurance liabilities, customers bearing the risk	60 220	49 679	42 866	35 512	28 269
Liabilities to life insurance policyholders in DNB Livsforsikring	208 160	208 726	216 577	230 906	221 185
Insurance liabilities, DNB Forsikring	1 892	1 846	1 737	1 958	1 780
Payable taxes	8 874	2 093	1 723	3 277	6 831
Deferred taxes	3 816	7 672	6 130	3 205	1 804
Other liabilities	44 568	37 675	31 908	31 934	27 325
Liabilities held for sale	41 243	71	100	53	76
Provisions	2 094	1 285	1 172	1 454	770
Pension commitments	2 756	2 549	6 006	4 001	3 904
Subordinated loan capital	29 347	30 953	29 319	26 276	21 090
Total liabilities	2 446 779	2 408 105	2 490 282	2 263 564	2 202 142
Share capital	16 286	16 257	16 273	16 278	16 269
Share premium	22 609	22 609	22 609	22 609	22 609
Additional Tier 1 capital	15 952	8 353			
Other equity	151 576	143 207	120 178	103 057	88 345
Total equity	206 423	190 425	159 059	141 944	127 223
Total liabilities and equity	2 653 201	2 598 530	2 649 341	2 405 507	2 329 365

Exchange rates at the end of the period:

EUR/NOK	9.08	9.60	8.98	8.37	7.37
USD/NOK	8.61	8.80	7.39	6.07	5.59

1.1.9 Key figures - quarterly figures

	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Interest rate analysis									
1 Combined weighted total average spread for lending and deposits (%) ¹⁾	1.32	1.29	1.29	1.30	1.33	1.35	1.32	1.32	1.32
2 Average spread for ordinary lending to customers (%) ¹⁾	2.07	2.03	1.96	2.03	2.08	2.07	2.11	2.13	2.17
3 Average spread for deposits from customers (%) ¹⁾	0.19	0.20	0.25	0.19	0.18	0.24	0.12	0.08	(0.02)
Rate of return/profitability									
4 Net other operating income, per cent of total income	30.6	28.5	33.6	31.7	36.7	36.2	29.8	33.2	32.5
5 Cost/income ratio (%)	43.1	45.6	41.2	40.6	39.9	41.8	28.1	39.6	42.8
6 Return on equity, annualised (%)	10.4	9.1	10.9	8.5	9.9	11.2	15.0	14.7	12.1
7 RAROC, annualised (%)	10.4	9.6	10.9	10.9	12.6	10.3	11.6	10.3	11.6
8 Average equity including allocated dividend (NOK million)	193 406	192 074	187 027	184 147	181 177	183 873	176 846	168 905	164 703
9 Return on average risk-weighted volume, annualised (%)	1.85	1.64	1.95	1.49	1.69	1.89	2.31	2.15	1.73
Financial strength at end of period									
10 Common Equity Tier 1 capital ratio, transitional rules (%) ²⁾	15.8	15.8	16.0	15.7	15.2	15.2	14.4	13.1	13.0
11 Tier 1 capital ratio, transitional rules (%) ²⁾	17.3	17.2	17.6	16.8	16.2	16.2	15.3	14.0	13.9
12 Capital ratio, transitional rules (%) ²⁾	19.2	19.2	19.5	18.6	18.2	18.3	17.8	16.3	16.2
13 Common equity Tier 1 capital at end of period (NOK million) ²⁾	167 606	170 176	168 214	163 756	161 982	159 972	162 906	152 778	148 712
14 Risk-weighted volume, transitional rules (NOK million)	1 087 122	1 077 792	1 051 498	1 045 272	1 068 585	1 049 367	1 129 373	1 166 293	1 141 331
Loan portfolio and impairment									
15 Individual impairment relative to average net loans to customers, annualised (%) ¹⁾	(0.14)	(0.12)	(0.41)	(0.41)	(0.42)	(0.14)	(0.26)	0.07	(0.21)
16 Impairment relative to average net loans to customers, annualised (%) ¹⁾	(0.15)	(0.15)	(0.45)	(0.56)	(0.61)	(0.31)	(0.37)	0.10	(0.18)
17 Net non-performing and net doubtful loans and guarantees, per cent of net loans ¹⁾	1.35	1.30	1.49	1.32	1.19	0.88	0.76	0.78	0.77
18 Net non-performing and net doubtful loans and guarantees at end of period (NOK million) ¹⁾	23 567	23 078	25 654	22 589	20 685	14 928	13 982	13 636	13 105
Liquidity									
19 Ratio of customer deposits to net loans to customers at end of period (%)	65.0	66.4	62.0	61.8	62.3	60.4	61.2	63.3	65.0
Total assets owned or managed by DNB									
20 Customer assets under management at end of period (NOK billion)	582	569	548	538	527	522	563	543	554
21 Total combined assets at end of period (NOK billion)	3 026	3 163	2 931	2 920	2 927	2 898	2 901	3 033	2 939
22 Average total assets (NOK billion)	2 947	2 866	2 726	2 779	2 964	2 896	3 053	2 761	2 955
23 Customer savings at end of period (NOK billion) ¹⁾	1 629	1 623	1 519	1 491	1 488	1 450	1 507	1 513	1 524
Staff									
24 Number of full-time positions at end of period	10 697	10 924	11 007	10 883	11 015	11 233	11 380	11 443	11 414
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	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	1 628 799	1 628 799	1 628 799	1 628 799
27 Earnings per share (NOK)	3.07	2.64	3.16	2.43	2.74	3.14	4.11	3.83	3.04
28 Earnings per share excl. operations held for sale (NOK)	3.08	2.65	3.14	2.43	2.74	3.15	4.09	3.84	3.05
29 Dividend per share (NOK)	-	-	-	-	-	-	-	-	-
30 Total shareholder's return (%)	8.8	6.0	28.1	10.1	6.1	(10.9)	1.9	(13.0)	3.7
31 Dividend yield (%)	-	-	-	-	-	-	-	-	-
32 Equity per share incl. allocated dividend at end of period (NOK)	117.44	119.79	116.94	113.15	111.57	114.10	111.57	106.61	101.74
33 Share price at end of period (NOK)	142.00	136.10	128.40	104.70	99.35	97.85	109.80	110.70	130.80
34 Price/earnings ratio	11.57	12.87	10.17	10.78	9.08	7.79	6.69	7.22	10.75
35 Price/book value	1.21	1.14	1.10	0.93	0.89	0.86	0.98	1.04	1.29
36 Market capitalisation (NOK billion)	231.3	221.7	209.1	170.5	161.8	159.4	178.8	180.3	213.0

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

2) Including 50 per cent of profit for the period, except for the full year figures.

For definitions of selected key figures, see table 1.1.11.

1.1.10 Key figures - five years

	YTD 2017	2016	2015	2014	2013	2012
Interest rate analysis						
1 Combined weighted total average spread for lending and deposits (%)	1.30	1.32	1.33	1.31	1.31	1.18
2 Average spread for ordinary lending to customers (%)	2.05	2.04	2.17	2.33	2.34	1.97
3 Average spread for deposits from customers (%)	0.20	0.21	0.01	(0.25)	(0.31)	(0.14)
Rate of return/profitability						
4 Net other operating income, per cent of total income	29.6	34.6	34.5	34.2	35.2	34.8
5 Cost/income ratio (%)	44.3	40.9	36.9	41.9	45.7	49.1
6 Return on equity, annualised (%)	9.7	10.1	14.5	13.8	13.1	11.7
7 RAROC, annualised (%)	10.0	11.1	11.2	12.3	12.8	11.5
8 Average equity including allocated dividend (NOK million)	192 740	184 056	168 509	149 460	133 242	118 261
9 Return on average risk-weighted volume, annualised (%)	1.75	1.75	2.14	1.89	1.61	1.25
Financial strength at end of period						
10 Common Equity Tier 1 capital ratio, transitional rules (%)	15.8	16.0	14.4	12.7	11.8	10.7
11 Tier 1 capital ratio, transitional rules (%)	17.3	17.6	15.3	13.0	12.1	11.0
12 Capital ratio, transitional rules (%)	19.2	19.5	17.8	15.2	14.0	12.6
13 Common equity Tier 1 capital at end of period (NOK million)	167 606	168 214	162 906	142 108	128 072	115 627
14 Risk-weighted volume, transitional rules (NOK million)	1 087 122	1 051 498	1 129 373	1 120 659	1 089 114	1 075 672
Loan portfolio and impairment						
15 Individual impairment relative to average net loans to customers, annualised (%)	(0.13)	(0.34)	(0.13)	(0.14)	(0.18)	(0.22)
16 Impairment relative to average net loans to customers, annualised (%)	(0.15)	(0.48)	(0.15)	(0.12)	(0.17)	(0.24)
17 Net non-performing and net doubtful loans and guarantees, per cent of net loans	1.35	1.49	0.76	0.96	1.38	1.50
18 Net non-performing and net doubtful loans and guarantees at end of period (NOK million)	23 567	25 654	13 982	17 261	20 749	19 740
Liquidity						
19 Ratio of customer deposits to net loans to customers at end of period (%)	65.0	62.0	61.2	65.4	64.7	62.5
Total assets owned or managed by DNB						
20 Customer assets under management at end of period (NOK billion)	582	548	563	549	519	459
21 Total combined assets at end of period (NOK billion)	3 026	2 931	2 901	2 936	2 656	2 537
22 Average total assets (NOK billion)	2 907	2 841	2 946	2 712	2 543	2 411
23 Customer savings at end of period (NOK billion)	1 629	1 519	1 507	1 490	1 387	1 270
Staff						
24 Number of full-time positions at end of period	10 697	11 007	11 380	11 643	12 016	13 291
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	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	1 628 799
27 Earnings per share (NOK)	5.71	11.46	14.98	12.67	10.75	8.48
28 Earnings per share excl. operations held for sale (NOK)	5.73	11.46	15.01	12.68	10.75	8.42
29 Dividend per share (NOK)	-	5.70	4.50	3.80	2.70	2.10
30 Total shareholder's return (%)	15.3	22.2	1.9	4.7	57.6	23.7
31 Dividend yield (%)	-	4.44	4.10	3.16	2.49	2.98
32 Equity per share incl. allocated dividend at end of period (NOK)	117.44	116.94	111.57	97.45	87.15	78.11
33 Share price at end of period (NOK)	142.00	128.40	109.80	110.70	108.50	70.40
34 Price/earnings ratio	12.43	11.20	7.33	8.74	10.09	8.37
35 Price/book value	1.21	1.10	0.98	1.14	1.25	0.90
36 Market capitalisation (NOK billion)	231.3	209.1	178.8	180.3	176.7	114.7

For definitions of selected key figures, see next page.

1.1.11 Key figures - 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.
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 25 April 2017 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 25 April 2017. 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.

1.1.12 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 during the fourth quarter of 2017. Nordea and DNB will have equal voting rights in the combined bank Luminor, 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-June 2017 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.

Reclassification of assets and liabilities in the Baltics as held for sale does not change DNB's risk related to these activities, and figures for the Baltics are included in tables and key figures apart from items that are directly derived from the consolidated balance sheet figures presented for the Group.

The table below shows consolidated balance sheet amounts reclassified as assets and liabilities held for sale.

<i>Amounts in NOK million</i>	30 June 2017
Assets	
Cash and deposits with central banks	4 328
Due from credit institutions	198
Loans to customers	47 933
Commercial paper and bonds at fair value	1 718
Shareholdings	51
Financial derivatives	78
Investment properties	590
Intangible assets	69
Deferred tax assets	117
Fixed assets	400
Other assets	309
Total assets	55 791
Liabilities	
Due to credit institutions	4 031
Deposits from customers	38 330
Financial derivatives	265
Payable taxes	21
Other liabilities	409
Provisions	4
Total liabilities	43 061

1.2.1 Net interest income - split by segments

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income from loans to customers ¹⁾	7 673	7 281	7 239	7 563	7 565	7 560	7 902	7 964	7 894
Personal customers	3 204	2 999	2 828	2 981	3 073	3 039	3 394	3 508	3 573
Small and medium-sized enterprises	1 769	1 681	1 672	1 711	1 651	1 578	1 291	1 303	1 295
Large corporates and international customers	2 679	2 591	2 690	2 815	2 793	2 893	3 159	3 149	2 993
Other	21	11	50	56	48	50	58	3	33
Net interest income on deposits from customers	475	505	604	459	417	573	290	185	(47)
Personal customers	257	332	431	345	328	411	236	102	(30)
Small and medium-sized enterprises	177	207	205	173	166	195	168	147	77
Large corporates and international customers	39	(41)	(42)	(67)	(77)	(40)	(118)	(64)	(93)
Other	3	8	11	8	1	7	5	1	0
Equity and non-interest bearing items/Allocated capital	402	441	450	396	378	418	404	449	451
Personal customers	45	55	53	45	46	53	67	63	84
Small and medium-sized enterprises	27	33	33	28	27	32	38	40	54
Large corporates and international customers	98	110	112	99	92	110	125	148	161
Other	232	243	252	224	212	222	174	197	153
Other	481	293	79	62	184	163	466	382	430
Total net interest income	9 031	8 521	8 372	8 481	8 544	8 713	9 062	8 981	8 728

1.2.2 Average volumes - split by segments

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Loans to customers ²⁾	1 523 259	1 494 223	1 485 034	1 511 481	1 512 996	1 522 101	1 519 394	1 494 619	1 461 222
Personal customers ³⁾	715 809	704 976	702 949	691 602	679 147	673 476	689 026	693 179	685 977
Small and medium-sized enterprises	270 755	265 255	260 259	256 996	253 202	244 276	217 551	214 407	211 720
Large corporates and international customers	496 706	482 337	496 949	519 886	523 095	538 765	571 316	573 117	552 267
Other	39 989	41 655	24 877	36 656	57 553	65 583	41 500	13 916	11 258
Deposits from customers ²⁾	1 037 930	1 019 124	958 571	1 047 575	1 075 065	1 119 443	1 159 336	1 141 097	1 043 144
Personal customers	398 046	398 290	397 297	406 373	397 881	395 220	387 053	387 117	373 807
Small and medium-sized enterprises	204 904	197 750	185 176	179 110	173 284	170 165	171 926	174 649	169 822
Large corporates and international customers	391 560	392 885	366 617	374 006	378 136	382 852	402 916	408 418	378 588
Other	43 420	30 199	9 482	88 086	125 764	171 205	197 441	170 913	120 927
Equity and non-interest bearing items/Allocated capital	171 821	171 311	165 655	157 622	152 098	155 003	145 623	138 040	133 955
Personal customers	39 389	40 736	39 587	39 078	40 207	39 624	33 805	33 128	33 610
Small and medium-sized enterprises	26 066	26 549	26 836	26 615	26 688	27 324	20 958	21 620	20 993
Large corporates and international customers	86 083	83 066	84 826	87 091	83 076	84 707	70 868	70 414	69 807
Other	20 283	20 960	14 406	4 838	2 126	3 349	19 991	12 879	9 544

1.2.3 Interest rate spreads - split by segments ⁴⁾

Per cent	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Total lending - customer segments	2.07	2.03	1.96	2.03	2.08	2.07	2.11	2.13	2.17
Personal customers	1.80	1.73	1.60	1.71	1.82	1.81	1.95	2.01	2.09
Small and medium-sized enterprises	2.62	2.57	2.56	2.65	2.62	2.60	2.35	2.41	2.45
Large corporates and international customers	2.16	2.18	2.15	2.15	2.15	2.16	2.19	2.18	2.17
Total deposits - customer segments	0.19	0.20	0.25	0.19	0.18	0.24	0.12	0.08	(0.02)
Personal customers	0.26	0.34	0.43	0.34	0.33	0.42	0.24	0.10	(0.03)
Small and medium-sized enterprises	0.35	0.42	0.44	0.38	0.38	0.46	0.39	0.33	0.18
Large corporates and international customers	0.04	(0.04)	(0.05)	(0.07)	(0.08)	(0.04)	(0.12)	(0.06)	(0.10)
Combined spread - customer segments - weighted total average	1.32	1.29	1.29	1.30	1.33	1.35	1.32	1.32	1.32

1) Excluding impaired loans.

2) Average nominal amount, excluding impaired loans.

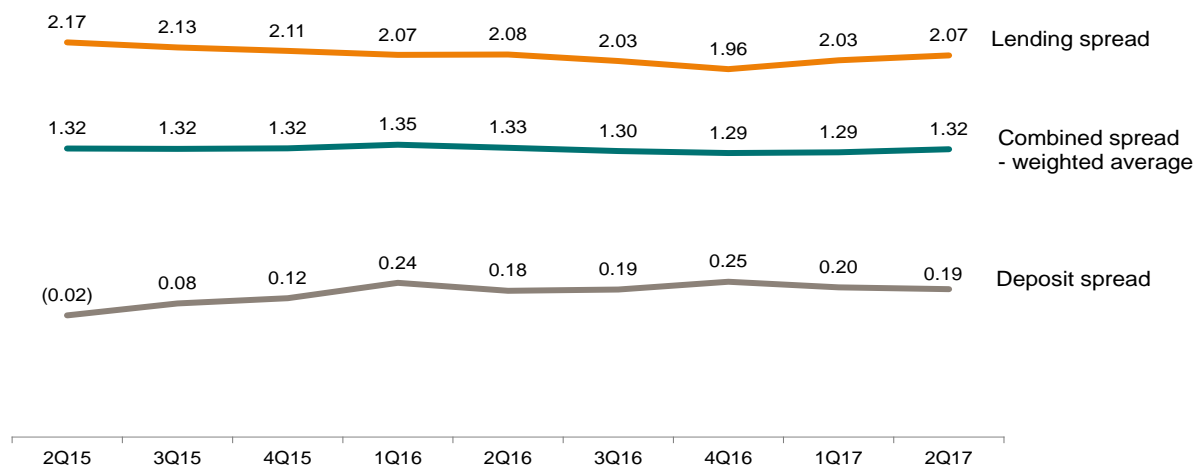
3) In November 2015, a portfolio of home mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring, and in November 2016, mortgages representing an additional NOK 5 billion were sold. For more information about the portfolio, see table 2.2.1.

4) Spreads are calculated based on money market rates and do not include additional funding costs related to liquidity measures.

1.2.4 Quarterly development in average interest rate spreads

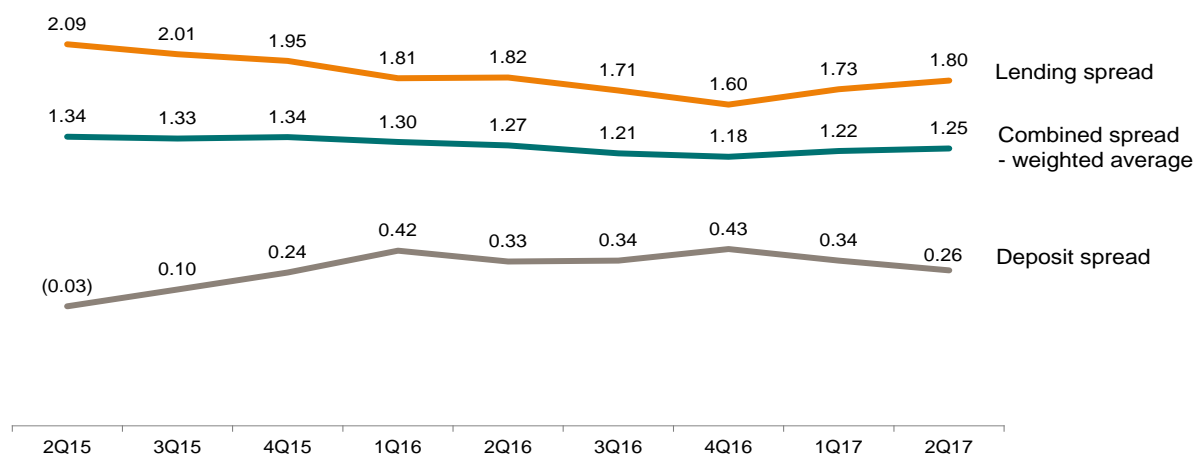
Customer segments

Per cent



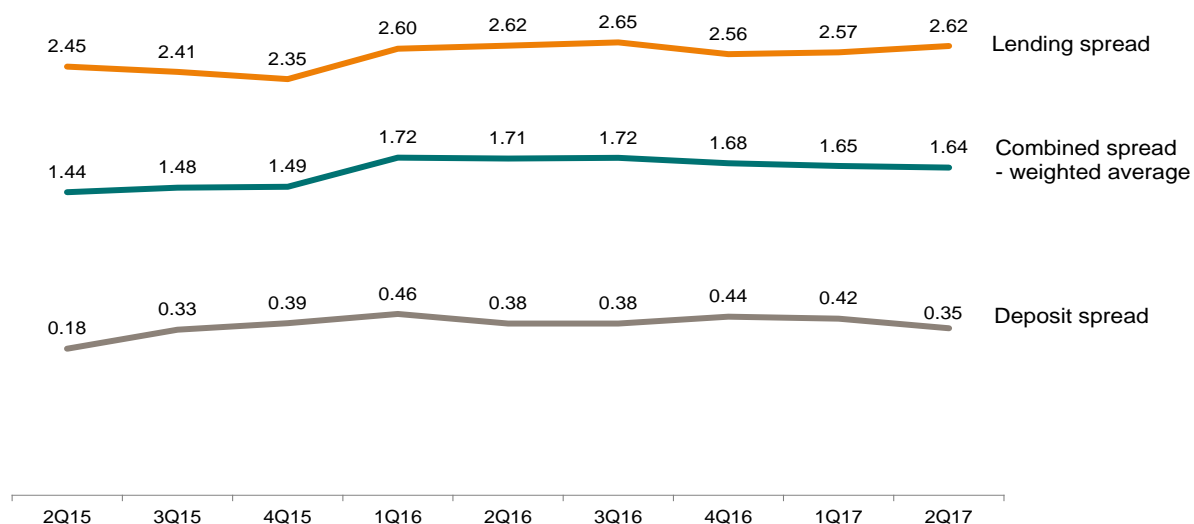
Personal customers

Per cent



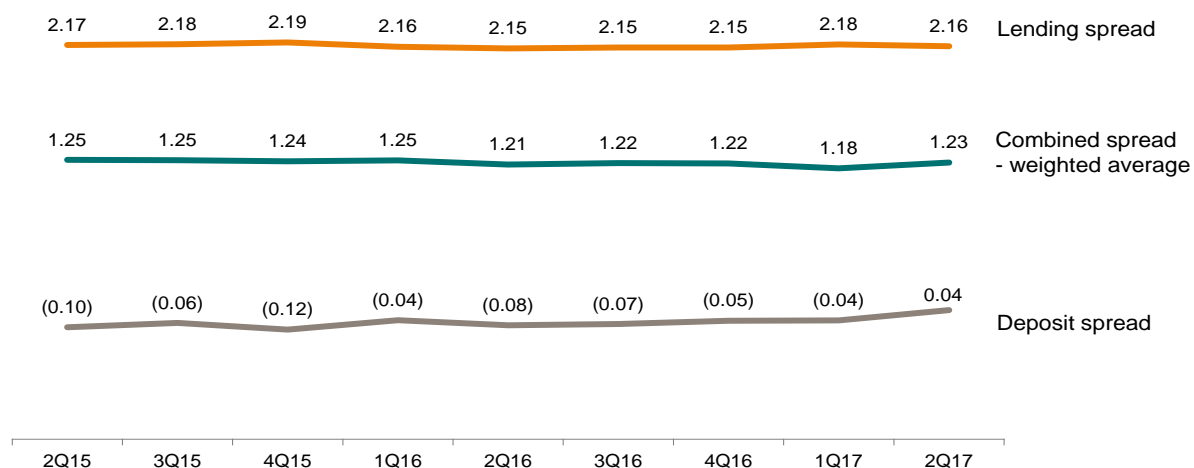
Small and medium-sized enterprises

Per cent



Large corporates and international customers

Per cent



1.2.5 Net interest income

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Interest on amounts due from credit institutions	632	546	432	302	159	447	430	421	297
Interest on loans to customers	11 285	11 036	10 984	11 078	11 005	11 161	11 660	12 253	12 311
Interest on impaired loans and guarantees	291	267	317	245	204	145	203	148	137
Interest on commercial paper and bonds	1 117	1 182	1 185	1 195	1 119	1 127	1 118	1 155	1 163
Front-end fees etc.	84	74	81	69	71	73	96	81	81
Other interest income	299	117	274	87	322	342	427	290	436
Total interest income	13 709	13 223	13 273	12 976	12 880	13 295	13 934	14 348	14 425
Interest on amounts due to credit institutions	(625)	(474)	(762)	(325)	(303)	(313)	(369)	(314)	(331)
Interest on deposits from customers	(1 872)	(1 787)	(1 665)	(1 672)	(1 631)	(1 676)	(1 821)	(2 265)	(2 532)
Interest on debt securities issued	(2 821)	(2 823)	(2 933)	(3 055)	(3 147)	(3 251)	(3 238)	(3 268)	(3 102)
Interest on subordinated loan capital	(105)	(135)	(131)	(132)	(132)	(137)	(140)	(139)	(146)
Guarantee fund levy ¹⁾	(176)	(175)	(200)	(187)	(187)	(193)	(202)	(231)	(207)
Other interest expenses ²⁾	922	692	791	875	1 065	988	898	850	620
Total interest expenses	(4 677)	(4 702)	(4 901)	(4 495)	(4 336)	(4 582)	(4 872)	(5 367)	(5 697)
Net interest income	9 031	8 521	8 372	8 480	8 544	8 713	9 062	8 981	8 728

Full year figures

Amounts in NOK million	YTD 2017	2016	2015	2014	2013	2012
Interest on amounts due from credit institutions	1 179	1 340	1 608	1 814	1 299	1 198
Interest on loans to customers	22 322	44 229	48 728	52 139	52 019	52 722
Interest on impaired loans and guarantees	558	911	619	643	682	625
Interest on commercial paper and bonds	2 300	4 626	4 655	5 078	5 316	4 991
Front-end fees etc.	158	294	337	316	329	337
Other interest income	416	1 024	1 584	1 456	759	3 195
Total interest income	26 931	52 424	57 532	61 445	60 404	63 068
Interest on amounts due to credit institutions	(1 099)	(1 705)	(1 365)	(1 755)	(2 374)	3 264
Interest on deposits from customers	(3 659)	(6 645)	(9 394)	(13 827)	(14 626)	15 838
Interest on debt securities issued	(5 644)	(12 385)	(12 809)	(12 633)	(12 130)	13 135
Interest on subordinated loan capital	(240)	(532)	(569)	(572)	(453)	676
Guarantee fund levy ¹⁾	(351)	(768)	(845)	(780)	(754)	90
Other interest expenses ²⁾	1 614	3 720	2 809	608	125	2 849
Total interest expenses	(9 379)	(18 314)	(22 174)	(28 959)	(30 212)	35 853
Net interest income	17 552	34 110	35 358	32 487	30 192	27 216

1) The amounts represent a proportional share of the estimated annual levy.

2) Other interest expenses include interest rate adjustments resulting from interest swaps.

1.2.6 Changes in net interest income

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income	9 031	8 521	8 372	8 481	8 544	8 713	9 062	8 981	8 728

	Changes from 1Q17	Changes from 4Q16	Changes from 3Q16	Changes from 2Q16	Changes from 1Q16	Changes from 4Q15	Changes from 3Q15	Changes from 2Q15
Changes from previous quarters:								
Lending volumes	118	(49)	(39)	99	72	(309)	(100)	50
Deposit volumes	1	21	(5)	7	6	(1)	(2)	2
Lending spreads	140	261	(264)	(188)	20	(117)	(103)	(157)
Deposit spreads	(33)	(107)	148	24	(155)	285	103	227
Exchange rate movements	44	6	(16)	(3)	(86)	76	72	147
Interest days	86	(148)		87		(88)		86
Long term funding	126	36	16	(52)	(36)	6	(2)	(37)
Amortisation effects and fees	9	53	(42)	(58)	4	(160)	9	23
Interest income on loans subject to impairment provisions	21	(66)	67	46	49	(27)	22	(8)
Other net interest income	(2)	141	26	(25)	(44)	(13)	83	(80)
Total	510	149	(108)	(63)	(170)	(349)	81	253

1.3.1 Net other operating income

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Money transfer and interbank transactions	461	445	403	520	466	507	443	515	442
Asset management services	310	276	280	319	292	273	311	274	275
Credit broking	111	132	106	99	143	118	125	110	376
Corporate finance	161	169	319	112	171	92	108	83	198
Real estate broking	354	269	260	273	343	245	270	281	370
Custodial services	57	33	38	7	58	40	38	24	54
Securities broking	132	170	161	119	77	82	110	77	83
Sale of insurance products	513	520	530	517	563	606	595	622	632
Other income from banking services	61	60	40	51	22	28	81	94	59
Net commissions and fees	2 161	2 073	2 136	2 016	2 136	1 991	2 082	2 080	2 489
Net gains on equity investments ¹⁾	96	27	108	326	160	(98)	405	28	(56)
FX and interest rate instruments	946	1 402	2 294	1 528	1 257	1 479	1 763	984	1 283
Basis swaps	(60)	(620)	(713)	(444)	(388)	1 003	(4)	933	(54)
Net gains on financial instruments at fair value ²⁾	982	808	1 689	1 411	1 029	2 384	2 164	1 945	1 174
Net financial result, DNB Livsforsikring	372	117	(57)	45	(68)	9	(928)	(151)	(75)
Net risk result, DNB Livsforsikring	83	123	290	109	234	103	247	220	245
Net financial and risk result, DNB Livsforsikring ³⁾	454	240	232	154	166	112	(681)	69	170
Net premium income/insurance claims, DNB Forsikring	189	155	181	148	204	115	132	132	166
Profit from investments accounted for by the equity method ⁴⁾	23	(45)	(45)	(0)	1 148	86	(28)	(1)	(74)
Net gains on investment properties	(14)	14	(7)	(5)	(18)	(5)	122	143	2
Other income	187	154	44	205	287	259	35	105	293
Other operating income	196	123	(9)	200	1 418	340	129	247	221
Net other operating income, total	3 982	3 399	4 230	3 929	4 952	4 942	3 825	4 472	4 221
As a percentage of total income	30.6	28.5	33.6	31.7	36.7	36.2	29.7	33.2	32.6

Full year figures

Amounts in NOK million	YTD 2017	2016	2015	2014	2013	2012
Money transfer and interbank transactions	906	1 896	1 893	2 103	2 069	2 008
Asset management services	587	1 162	1 117	1 033	940	885
Credit broking	242	465	754	574	371	354
Corporate finance	330	694	555	740	497	585
Real estate broking	623	1 121	1 201	1 095	1 144	1 134
Custodial services	90	143	162	193	187	188
Securities broking	302	440	363	219	217	92
Sale of insurance products	1 034	2 216	2 482	2 668	2 725	2 487
Other income from banking services	121	142	336	344	387	363
Net commissions and fees	4 234	8 280	8 862	8 969	8 537	8 096
Net gains on equity investments ¹⁾	123	496	123	532	1 143	521
FX and interest rate instruments	2 347	6 559	5 874	4 391	5 253	5 076
Basis swaps	(680)	(542)	2 685	394	(1 364)	(1 687)
Net gains on financial instruments at fair value ²⁾	1 790	6 513	8 683	5 317	5 032	3 910
Net financial result, DNB Livsforsikring ³⁾	488	(72)	(1 251)	(79)	554	1 032
Net risk result, DNB Livsforsikring	206	736	861	688	467	(319)
Net financial and risk result, DNB Livsforsikring	694	664	(389)	609	1 021	714
Net premium income/insurance claims, DNB Forsikring	344	648	534	491	418	325
Profit from investments accounted for by the equity method ⁴⁾	(21)	1 189	(72)	226	362	789
Net gains on investment properties	0	(35)	269	82	(86)	(340)
Other income	341	795	762	1 182	1 144	1 007
Other operating income	320	1 948	959	1 490	1 420	1 456
Net other operating income, total	7 382	18 053	18 648	16 877	16 427	14 501
As a percentage of total income	29.6	34.6	34.5	34.2	35.2	34.8

1) Includes dividends and equity related derivatives.

2) See table 1.1.2 "Net gains on financial instruments at fair value" for specification.

3) The transfer of the risk equalisation fund to the policyholders' premium reserve reduced results by NOK 980 million in the fourth quarter of 2015.

4) 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.

1.4.1 Operating expenses

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Salaries	(2 101)	(2 020)	(2 004)	(2 073)	(2 031)	(2 082)	(2 070)	(2 100)	(2 055)
Employer's national insurance contributions	(367)	(402)	(379)	(303)	(297)	(322)	(312)	(298)	(300)
Pension expenses ¹⁾	(328)	(315)	(81)	(321)	(314)	(320)	1 639	(286)	(276)
Restructuring expenses	(89)	(158)	(203)	(22)	(101)	(393)	(142)	(63)	(134)
Other personnel expenses	(164)	(162)	(174)	(156)	(168)	(160)	(220)	(157)	(188)
Total salaries and other personnel expenses	(3 049)	(3 056)	(2 842)	(2 874)	(2 911)	(3 277)	(1 106)	(2 905)	(2 953)
Fees ²⁾	(557)	(414)	(515)	(395)	(407)	(314)	(361)	(341)	(491)
IT expenses ²⁾	(544)	(568)	(417)	(552)	(577)	(561)	(489)	(637)	(619)
Postage and telecommunications	(54)	(56)	(59)	(55)	(61)	(63)	(65)	(74)	(70)
Office supplies	(18)	(18)	(21)	(18)	(19)	(19)	(24)	(21)	(22)
Marketing and public relations	(278)	(179)	(215)	(174)	(245)	(180)	(203)	(197)	(235)
Travel expenses	(67)	(50)	(85)	(45)	(59)	(49)	(99)	(52)	(78)
Reimbursement to Norway Post for transactions executed	(49)	(49)	(48)	(49)	(51)	(51)	(43)	(42)	(44)
Training expenses	(17)	(18)	(23)	(9)	(12)	(18)	(24)	(14)	(17)
Operating expenses on properties and premises	(289)	(308)	(291)	(292)	(300)	(309)	(301)	(246)	(273)
Operating expenses on machinery, vehicles and office equipment	(23)	(18)	(23)	(18)	(30)	(22)	(25)	(31)	(24)
Other operating expenses	(193)	(196)	(132)	(87)	(205)	(180)	(296)	(152)	(184)
Total other expenses	(2 088)	(1 874)	(1 828)	(1 694)	(1 965)	(1 765)	(1 931)	(1 806)	(2 056)
Impairment losses for goodwill		(35)	(5)						
Depreciation and impairment of fixed and intangible assets ³⁾	(478)	(475)	(518)	(475)	(510)	(668)	(590)	(608)	(518)
Total depreciation and impairment of fixed and intangible assets	(478)	(510)	(524)	(475)	(510)	(668)	(590)	(608)	(518)
Total operating expenses	(5 615)	(5 441)	(5 194)	(5 043)	(5 385)	(5 711)	(3 626)	(5 319)	(5 527)

Full year figures

Amounts in NOK million	YTD 2017	2016	2015	2014	2013	2012
Salaries	(4 122)	(8 190)	(8 269)	(7 959)	(7 892)	(7 844)
Employer's national insurance contributions	(768)	(1 301)	(1 220)	(1 146)	(1 127)	(1 123)
Pension expenses ¹⁾	(642)	(1 035)	799	(899)	(787)	(1 236)
Restructuring expenses	(247)	(720)	(390)	(239)	(776)	(131)
Other personnel expenses	(326)	(658)	(742)	(628)	(724)	(652)
Total salaries and other personnel expenses	(6 105)	(11 904)	(9 822)	(10 872)	(11 307)	(10 987)
Fees ²⁾	(971)	(1 631)	(1 545)	(1 391)	(1 164)	(1 289)
IT expenses ²⁾	(1 111)	(2 107)	(2 418)	(2 223)	(2 346)	(1 849)
Postage and telecommunications	(110)	(238)	(287)	(297)	(303)	(342)
Office supplies	(35)	(76)	(89)	(101)	(90)	(99)
Marketing and public relations	(457)	(815)	(859)	(863)	(847)	(904)
Travel expenses	(118)	(237)	(285)	(258)	(229)	(250)
Reimbursement to Norway Post for transactions executed	(98)	(198)	(174)	(231)	(143)	(138)
Training expenses	(35)	(62)	(75)	(61)	(49)	(65)
Operating expenses on properties and premises	(597)	(1 191)	(1 114)	(1 284)	(1 364)	(1 441)
Operating expenses on machinery, vehicles and office equipment	(41)	(93)	(101)	(103)	(130)	(143)
Other operating expenses ⁴⁾	(389)	(604)	(844)	(834)	(1 184)	(931)
Total other expenses	(3 962)	(7 251)	(7 790)	(7 645)	(7 850)	(7 451)
Impairment losses for goodwill	(35)	(5)		(5)	(57)	(287)
Depreciation and impairment of fixed and intangible assets ³⁾	(953)	(2 172)	(2 298)	(2 153)	(2 661)	(2 035)
Total depreciation and impairment of fixed and intangible assets	(988)	(2 177)	(2 298)	(2 158)	(2 719)	(2 322)
Total operating expenses	(11 055)	(21 333)	(19 910)	(20 675)	(21 875)	(20 760)

1) In the fourth quarter of 2015 DNB decided to change the Group's pension scheme from a defined-benefit to a defined contribution scheme with effect from 31 December 2015. The change includes the majority of its employees in Norway who were members of the Group's closed defined-benefit scheme. The change resulted in a one-time effect of NOK 1 969 million which reduced the period's pension cost. In the fourth quarter of 2014, a plan amendment was recorded for the pension scheme in the Norwegian Public Service Pension Fund, which reduced costs by NOK 93 million.

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

3) 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. Impairment of capitalised systems development in the Baltics totalling NOK 500 million was recorded in the fourth quarter of 2013.

4) During the first quarter of 2013, NOK 450 million was charged to the income statement in connection with the Supreme Court ruling regarding certain debt-financed structured products.

1.4.2 Number of employees - full-time positions based on the operational structure of the DNB Group

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Full-time positions</i>									
Personal Banking ¹⁾	2 909	2 983	2 748	2 736	2 841	3 014	3 060	3 156	3 215
Corporate Banking	1 216	1 257	761	748	756	756	752	728	722
Large Corporates and International ²⁾	2 745	2 887	2 903	2 848	2 873	2 950	2 977	3 004	3 011
Markets	711	700	694	693	696	687	690	697	693
Wealth Management	414	419	445	457	476	343	382	390	381
Products ³⁾			983	976	984	1 164	1 207	1 214	1 215
IT and Operations	1 763	1 737	1 735	1 704	1 666	1 664	1 673	1 648	1 544
Other entities	939	942	738	721	723	655	639	610	633
Total ordinary operations	10 697	10 924	11 007	10 883	11 015	11 233	11 380	11 447	11 414

1) There has been a reduction of 57 full-time employees in branch offices and the Customer Service Centre in the second quarter of 2017.

2) 1 676 full-time positions in the Baltics were included at end-June 2017, which is a reduction of 94 since the first quarter.

3) The employees have been transferred to other units.

1.4.3 IT expenses

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
IT operating expenses	(578)	(580)	(462)	(577)	(582)	(583)	(521)	(662)	(641)
Depreciation	(30)	(28)	(31)	(31)	(31)	(31)	(36)	(31)	(30)
Total IT operating expenses	(608)	(608)	(493)	(608)	(613)	(614)	(557)	(693)	(672)
Systems development expenses	(316)	(293)	(305)	(197)	(289)	(199)	(190)	(200)	(348)
Depreciation	(56)	(60)	(74)	(69)	(69)	(72)	(80)	(83)	(88)
Impairment	(8)	(5)	(24)	(1)	(3)		(55)	(50)	
Total systems development expenses	(380)	(357)	(402)	(267)	(361)	(270)	(324)	(333)	(436)
Total IT expenses ¹⁾	(988)	(966)	(895)	(876)	(975)	(885)	(881)	(1 026)	(1 108)
Capitalised systems development expenses	993	932	948	908	951	983	1 042	1 112	1 175

1) The figures do not include salaries and indirect expenses.

1.4.4 Ordinary cost/income ratio

<i>Per cent</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Cost/income ratio (%)	43.1	45.6	41.2	40.6	39.9	41.8	28.1	39.6	42.8
- adjusted for basis swaps	42.9	43.4	39.0	39.2	38.8	45.1	28.1	42.5	42.6

1.4.5 Changes in total operating expenses

2Q16-2Q17

<i>Amounts in NOK million</i>	2Q17	Change	2Q16	Change in per cent
Operating expenses	(5 615)	(230)	(5 385)	(4.3)
Other costs		37		
Marketing etc		(33)		
Salaries and other personnel expenses (excl. pension and restructuring costs)		(52)		
Fees		(94)		
Provisions for financial activities tax		(94)		
Restructuring costs ¹⁾		12		
Other non-recurring effects ¹⁾		(5)		

Operating expenses excl. non-recurring effects, of which: **(237)**

Exchange rate effects for units outside Norway	12
Currency-adjusted operating expenses	(249)

1Q17-2Q17

<i>Amounts in NOK million</i>	2Q17	Change	1Q17	Change in per cent
Operating expenses	(5 615)	(174)	(5 441)	(3.2)
Other costs		(11)		
IT expenses		(19)		
Salaries and other personnel expenses (excl. pension and restructuring costs)		(48)		
Fees		(98)		
Marketing etc		(99)		
Restructuring costs ¹⁾		69		
Other non-recurring effects ¹⁾		32		

Operating expenses excl. non-recurring effects, of which: **(275)**

Exchange rate effects for units outside Norway	(35)
Currency-adjusted operating expenses	(240)

¹⁾ Non-recurring effects.

1.5.1 Development in volumes - net loans to customers

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Loans at end of period	1 600	1 577	1 554	1 531	1 542	1 535	1 543	1 531	1 491
Loans adjusted for exchange rate movements	1 570	1 551	1 531	1 527	1 519	1 509	1 498	1 497	1 491

Includes NOK 48 billion in the Baltics at end-June 2017, reclassified as assets held for sale in August 2016. Volumes include accrued interest and fair value adjustments.

1.5.2 Net loans to principal customer groups

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Private individuals	802.2	785.7	777.6	768.4	758.1	743.9	743.3	733.6	726.1
Transportation by sea and pipelines and vessel construction	92.6	97.7	106.1	103.6	114.3	115.5	126.2	131.6	129.6
Real estate	217.5	211.1	208.1	206.5	207.0	205.5	202.0	201.4	196.9
Manufacturing	87.8	85.2	82.3	88.9	101.5	95.6	95.5	97.4	86.0
Services	101.4	96.9	88.8	82.5	85.9	100.1	97.9	84.4	85.2
Trade	46.1	46.5	42.4	43.3	40.7	40.8	41.0	42.2	43.0
Oil and gas	21.7	24.3	29.1	27.9	30.9	32.7	31.9	33.5	32.2
Transportation and communication	64.4	66.4	64.1	60.5	59.1	59.9	59.3	58.7	53.9
Building and construction	62.3	58.1	53.9	55.4	53.6	52.2	48.7	52.4	51.9
Power and water supply	33.1	31.7	32.3	31.0	31.3	32.0	33.8	37.0	35.9
Seafood	17.8	18.2	17.0	15.5	15.5	15.9	16.3	16.7	14.8
Hotels and restaurants	8.5	8.7	8.1	7.4	7.4	7.7	8.9	5.4	4.6
Agriculture and forestry	6.2	6.1	6.2	6.3	6.3	6.6	6.8	7.1	7.5
Central and local government	17.5	16.5	16.8	15.7	13.8	12.1	14.4	14.1	12.6
Other sectors	25.2	28.8	25.8	22.0	16.8	13.3	15.4	13.1	9.7
Total customers	1 604.4	1 581.7	1 558.7	1 535.0	1 542.2	1 533.8	1 541.5	1 528.8	1 489.9
Credit institutions ^{*)}	151.9	193.0	166.7	186.9	195.8	170.2	292.2	228.2	204.4
Total net loans	1 756.3	1 774.7	1 725.3	1 721.8	1 738.0	1 704.0	1 833.6	1 757.0	1 694.3

^{*)} Of which repo trading volumes

132.5	178.1	153.2	172.6	177.8	152.0	278.2	201.0	189.3
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Includes NOK 48 billion in the Baltics at end-June 2017, reclassified as assets held for sale in August 2016.

Loans after individual impairment. The breakdown into principal customer groups corresponds to the EU's standard industrial classification, NACE Rev.2 and deviate from the risk classification used in chapter 1.8 Commitments.

1.6.1 Impairment of loans and guarantees per segment

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Personal customers	(84)	36	75	(72)	(102)	440	24	942	(58)
- Mortgage loans	(7)	(37)	(4)	(8)	(30)	531	116	10	17
- Other exposure	(77)	73	79	(65)	(72)	(91)	(92)	932	(75)
Small and medium-sized enterprises	(156)	(70)	(333)	(324)	(190)	(240)	(341)	(129)	(284)
Large corporates and international customers	(313)	(430)	(1 322)	(1 183)	(1 300)	(728)	(686)	(527)	(425)
- Nordic Corporates Division	(66)	52	(109)	(114)	(66)	6	12	(6)	5
- International Corporates Division	2	4	(105)	15	72	(7)	(72)	(22)	(93)
- Shipping, Offshore and Logistics Division	(176)	(462)	(844)	(710)	(823)	(610)	(382)	(379)	(302)
- Energy Division	(173)	(7)	(238)	(348)	(458)	(81)	(173)	(88)	(43)
- Baltics and Poland	90	(10)	(34)	(22)	(24)	(36)	(58)	(12)	(47)
- Other units	8	(7)	8	(4)	(0)	1	(12)	(19)	56
Total individual impairment	(553)	(464)	(1 580)	(1 580)	(1 592)	(528)	(1 002)	285	(767)
Total collective impairment of loans	(44)	(98)	(172)	(596)	(729)	(646)	(418)	106	101
Impairment of loans and guarantees	(597)	(562)	(1 753)	(2 176)	(2 321)	(1 174)	(1 420)	392	(667)
Total impairment in relation to average volumes, annualised	(0.15)	(0.15)	(0.45)	(0.56)	(0.61)	(0.31)	(0.37)	0.10	(0.18)

Full year figures

Amounts in NOK million	YTD 2017	2016	2015	2014	2013	2012
Personal customers	(48)	341	942	(118)	(350)	(443)
- Mortgage loans	(45)	490	223	129	(77)	(111)
- Other exposure	(4)	(149)	719	(247)	(273)	(332)
Small and medium-sized enterprises	(226)	(1 088)	(1 062)	(838)	(518)	(540)
Large corporates and international customers	(743)	(4 533)	(1 895)	(1 024)	(1 448)	(1 933)
- Nordic Corporates Division	(14)	(283)	25	(370)	(136)	21
- International Corporates Division	6	(25)	(149)	(291)	(228)	(142)
- Shipping, Offshore and Logistics Division	(638)	(2 988)	(1 305)	(166)	(500)	(945)
- Energy Division	(179)	(1 126)	(317)	(31)	(52)	(230)
- Baltics and Poland	80	(116)	(168)	(124)	(471)	(635)
- Other units	2	5	18	(42)	(61)	
Total individual impairment	(1 017)	(5 280)	(2 015)	(1 980)	(2 318)	(2 915)
Total collective impairment of loans	(142)	(2 144)	(255)	341	133	(265)
Impairment of loans and guarantees	(1 159)	(7 424)	(2 270)	(1 639)	(2 185)	(3 179)
Total impairment in relation to average volumes, annualised	(0.15)	(0.48)	(0.15)	(0.12)	(0.17)	(0.24)

1.6.2 Impairment of loans and guarantees for principal customer groups

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Private individuals	(19)	46	109	(57)	(106)	416	(21)	1 046	(53)
Transportation by sea and pipelines and vessel construction	24	(385)	(346)	(356)	(330)	(515)	(225)	(165)	(226)
Real estate	13	15	(36)	(13)	5	11	(3)	(126)	(26)
Manufacturing	(55)	203	(2)	(368)	(442)	(162)	(268)	(97)	(276)
Services	(48)	40	(107)	(26)	17	(66)	11	(113)	(3)
Trade	(4)	(2)	(40)	(15)	(30)	4	(77)	0	(47)
Oil and gas	(162)	(15)	(227)	(262)	(329)			1	(1)
Transportation and communication	(98)	(177)	(579)	(320)	(351)	(262)	(262)	(222)	(44)
Building and construction	57	(11)	(86)	(142)	(27)	(11)	(110)	(24)	(129)
Power and water supply	(256)	(181)	(257)	(18)	2	53	(43)	(10)	(6)
Seafood	(8)	1	(4)	1	(1)	(4)	1	(0)	42
Hotels and restaurants	(4)	4	(2)	(0)	(4)	6	(9)	2	0
Agriculture and forestry	4	(3)	6	(13)	2	2	3	(6)	(3)
Other sectors	2	1	0	0	(0)	1	1	0	1
Total customers	(553)	(464)	(1 580)	(1 580)	(1 592)	(528)	(1 002)	288	(770)
Credit institutions								(3)	3
Change in collective impairment of loans	(44)	(98)	(172)	(596)	(729)	(646)	(418)	106	101
Impairment of loans and guarantees ^{*)}	(597)	(562)	(1 753)	(2 176)	(2 321)	(1 174)	(1 420)	392	(667)
<i>*) Of which individual impairment of guarantees</i>	<i>(226)</i>	<i>209</i>	<i>(105)</i>	<i>(147)</i>	<i>(90)</i>	<i>(2)</i>	<i>0</i>	<i>(0)</i>	<i>(10)</i>

The breakdown into principal customer groups corresponds to the EU's standard industrial classification, NACE Rev.2 and deviate from the risk classification used in chapter 1.8 Commitments.

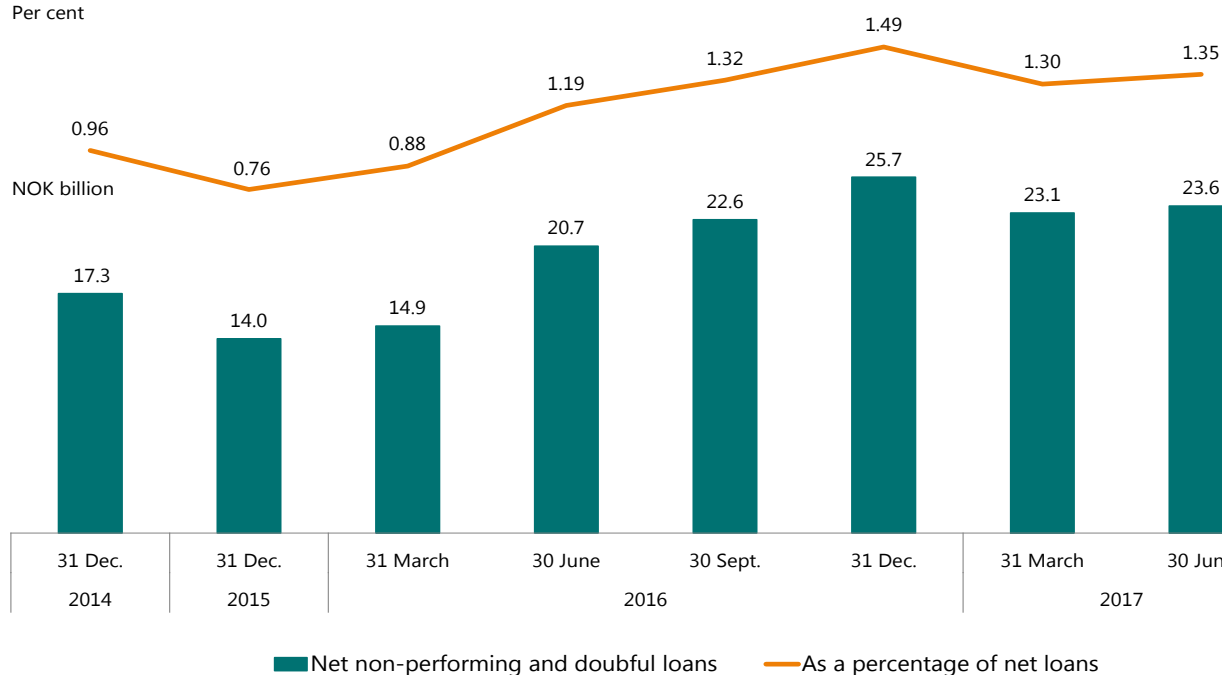
1.6.3 Impairment of loans and guarantees

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Write-offs	(248)	(120)	(455)	(103)	(638)	(163)	(748)	(308)	(272)
New/increased individual impairment	(1 019)	(1 386)	(1 519)	(1 663)	(1 335)	(1 393)	(672)	(758)	(785)
Total new/increased individual impairment	(1 267)	(1 506)	(1 974)	(1 767)	(1 973)	(1 556)	(1 420)	(1 066)	(1 057)
Reassessed individual impairment previous years	615	991	177	113	319	381	217	166	128
Recoveries on loans and guarantees previously written off	98	50	217	74	62	646	200	1 186	162
Net individual impairment	(553)	(464)	(1 580)	(1 580)	(1 592)	(528)	(1 002)	285	(767)
Change in collective impairment of loans	(44)	(98)	(172)	(596)	(729)	(646)	(418)	106	101
Impairment of loans and guarantees	(597)	(562)	(1 753)	(2 176)	(2 321)	(1 174)	(1 420)	392	(667)

1.7.1 Net non-performing and net doubtful loans and guarantees

Amounts in NOK million	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Non-performing loans and guarantees subject to individual impairment	13 000	14 167	15 244	13 968	13 081	13 176	12 542	12 600	12 624
Non-performing loans and guarantees not subject to individual impairment	4 789	4 043	4 322	3 037	3 125	3 123	2 463	1 779	2 401
Doubtful loans and guarantees subject to individual impairment	16 312	15 826	17 214	16 006	13 350	7 513	7 641	9 270	7 928
Gross non-performing and gross doubtful loans and guarantees	34 100	34 036	36 781	33 011	29 556	23 811	22 647	23 649	22 953
Individual impairment	(10 533)	(10 958)	(11 127)	(10 422)	(8 871)	(8 883)	(8 665)	(10 012)	(9 848)
Net non-performing and net doubtful loans and guarantees	23 567	23 078	25 654	22 589	20 685	14 928	13 982	13 636	13 105
Collective impairment	(4 601)	(4 596)	(4 488)	(4 208)	(3 816)	(3 100)	(2 527)	(2 058)	(2 099)
Provision ratio (per cent) ¹⁾	44.4	45.7	42.5	44.3	42.9	50.3	49.4	51.0	52.1
Provision ratio (per cent) ²⁾	51.6	51.9	48.1	48.8	48.0	57.9	55.4	55.2	58.1
Collateral for non-performing and doubtful loans and guarantees	23 041	22 786	24 355	18 438	18 280	11 906	11 674	12 050	12 033
Coverage ratio (per cent)	112.0	112.6	108.7	100.2	104.8	100.3	101.0	102.0	104.5

Per cent



1) Includes individual and collective impairment as a percentage of gross non-performing and gross doubtful loans and guarantees.

2) Includes individual and collective impairment as a percentage of gross impaired loans and guarantees subject to impairment.

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 1 916 million at end-June 2017.

1.7.2 Development in net non-performing and net doubtful loans and guarantees

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net non-performing and net doubtful loans and guarantees at beginning of period	23 078	25 654	22 589	20 685	14 928	13 982	13 636	13 105	13 856
Change in gross non-performing and gross doubtful loans and guarantees	64	(2 744)	3 769	3 455	5 745	1 164	(1 001)	695	(893)
Change in individual impairment	425	169	(705)	(1 551)	12	(218)	1 347	(164)	142
Net non-performing and net doubtful loans and guarantees at end of period	23 567	23 078	25 654	22 589	20 685	14 928	13 982	13 636	13 105

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 1 916 million at end-June 2017.

1.7.3 Net non-performing and net doubtful loans and guarantees for principal customer groups

	Gross non-performing and doubtful loans and guarantees			Accumulated individual impairment			Net non-performing and net doubtful loans and guarantees		
	30 June 2017	31 March 2017	30 June 2016	30 June 2017	31 March 2017	30 June 2016	30 June 2017	31 March 2017	30 June 2016
<i>Amounts in NOK million</i>									
Private individuals	3 800	3 858	4 265	(1 399)	(1 422)	(1 719)	2 402	2 437	2 546
Transportation by sea and pipelines and vessel construction	6 129	5 030	3 842	(2 013)	(2 542)	(1 767)	4 117	2 488	2 075
Real estate	2 604	2 658	3 065	(963)	(912)	(1 165)	1 641	1 746	1 900
Manufacturing	3 852	4 154	5 157	(1 446)	(1 487)	(1 444)	2 406	2 667	3 713
Services	1 009	1 567	1 366	(477)	(570)	(596)	532	997	771
Trade	900	883	929	(479)	(466)	(452)	421	417	477
Oil and gas	3 636	4 076	3 935	(901)	(760)	(318)	2 735	3 316	3 617
Transportation and communication	3 829	5 090	2 346	(1 389)	(1 539)	(707)	2 440	3 552	1 638
Building and construction	1 297	1 372	1 147	(609)	(678)	(529)	688	694	618
Power and water supply	1 927	966	38	(737)	(469)	(24)	1 190	498	14
Seafood	74	60	25	(24)	(16)	(13)	50	44	12
Hotels and restaurants	101	92	134	(44)	(39)	(48)	57	53	85
Agriculture and forestry	125	159	120	(44)	(50)	(54)	81	109	66
Other sectors	28	27	63	(10)	(9)	(34)	18	18	29
Total customers	29 312	29 994	26 431	(10 533)	(10 958)	(8 871)	18 778	19 035	17 561
Credit institutions									
Total impaired loans and guarantees	29 312	29 994	26 431	(10 533)	(10 958)	(8 871)	18 778	19 035	17 561
Non-performing loans and guarantees not subject to impairment	4 789	4 043	3 125	-	-	-	4 789	4 043	3 125
Total non-performing and doubtful loans and guarantees ^{*)}	34 100	34 036	29 556	(10 533)	(10 958)	(8 871)	23 567	23 078	20 685

*) of which Baltics and Poland, Baltics reclassified as assets held for sale in August 2016:

Private individuals	1 283	1 288	1 722	(733)	(721)	(975)	550	567	747
Transportation by sea and pipelines and vessel construction									
Real estate	1 059	1 063	1 640	(409)	(385)	(672)	649	678	968
Manufacturing	355	510	583	(170)	(296)	(309)	184	214	274
Services	58	57	74	(25)	(29)	(43)	33	28	31
Trade	159	155	194	(103)	(105)	(118)	55	51	76
Oil and gas									
Transportation and communication	82	87	100	(61)	(61)	(69)	21	26	31
Building and construction	250	265	347	(208)	(214)	(281)	42	51	66
Power and water supply	117	111	2	(39)	(24)	(1)	78	88	1
Seafood			0			(0)			
Hotels and restaurants	58	56	95	(22)	(22)	(35)	36	34	60
Agriculture and forestry	71	99	45	(15)	(22)	(20)	55	77	26
Other sectors	24	23	25	(8)	(8)	(10)	16	15	15
Total customers	3 514	3 715	4 828	(1 794)	(1 886)	(2 533)	1 721	1 829	2 295
Credit institutions									
Total impaired loans and guarantees	3 514	3 715	4 828	(1 794)	(1 886)	(2 533)	1 721	1 829	2 295
Non-performing loans and guarantees not subject to impairment	367	813	583	-	-	-	367	813	583
Total non-performing and doubtful loans and guarantees	3 881	4 529	5 411	(1 794)	(1 886)	(2 533)	2 087	2 642	2 878

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 1 916 million at end-June 2017.

The breakdown into principal customer groups corresponds to the EU's standard industrial classification, NACE Rev.2 and deviate from the risk classification used in chapter 1.8 Commitments.

1.7.4 Net non-performing and net doubtful loans and guarantees per segment

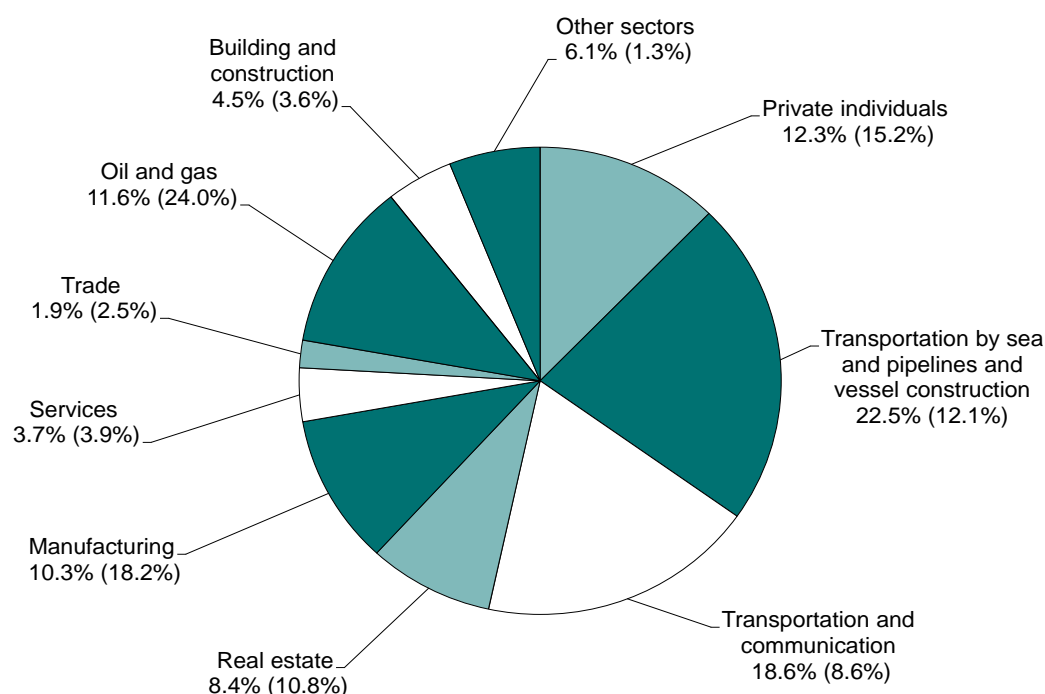
Amounts in NOK million	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Personal customers	2 148	2 122	1 846	2 022	2 014	1 943	2 084	2 157	2 377
Small and medium-sized enterprises	4 178	3 417	3 799	3 698	2 681	2 703	2 357	2 901	3 044
Large corporates and international customers ^{*)}	17 222	17 523	19 999	16 860	15 988	10 280	9 539	8 579	7 684
Traditional pension products	19	17	10	9	3	3	1	-	-
Total net non-performing and net doubtful loans and guarantees ^{**)}	23 567	23 078	25 654	22 589	20 685	14 928	13 982	13 636	13 105
<i>*) Of which Baltics and Poland</i>	<i>2 087</i>	<i>2 642</i>	<i>2 464</i>	<i>2 763</i>	<i>2 878</i>	<i>3 224</i>	<i>3 303</i>	<i>3 620</i>	<i>3 385</i>
<i>**) Of which Norwegian units</i>	<i>14 195</i>	<i>13 812</i>	<i>15 243</i>	<i>15 334</i>	<i>13 569</i>	<i>7 826</i>	<i>6 615</i>	<i>6 109</i>	<i>6 091</i>

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 1 916 million at end-June 2017.

Including non-performing loans and guarantees and loans and guarantees subject to individual impairment. Accumulated individual impairment is deducted.

1.7.5 Net non-performing and net doubtful loans and guarantees for principal customer groups

NOK 23 567 million as at 30 June 2017 (20 685)



Includes NOK 1 916 million in the Baltics at end-June 2017, reclassified as assets held for sale in August 2016.

Includes non-performing loans and guarantees and loans and guarantees subject to individual impairment. Comparable figures as at 30 June 2016 in parentheses.

The breakdown into principal customer groups corresponds to the EU's standard industrial classification, NACE Rev.2 and deviate from the risk classification used in chapter 1.8 Commitments.

1.7.6 Collective impairment per segment

<i>Amounts in NOK million</i>	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Personal customers	(128)	(122)	(197)	(254)	(249)	(260)	(282)	(272)	(290)
Small and medium-sized enterprises	(349)	(368)	(447)	(468)	(451)	(436)	(381)	(360)	(347)
Large corporates and international customers									
- Nordic Corporates Division	(270)	(197)	(182)	(211)	(253)	(230)	(225)	(129)	(128)
- International Corporates Division	(159)	(165)	(159)	(226)	(273)	(271)	(331)	(266)	(275)
- Shipping, Offshore and Logistics Division	(3 171)	(3 091)	(2 805)	(2 547)	(1 962)	(1 253)	(823)	(662)	(728)
- Energy Division	(365)	(505)	(540)	(365)	(372)	(446)	(243)	(125)	(95)
- Baltics and Poland	(205)	(177)	(179)	(173)	(178)	(162)	(160)	(169)	(179)
- Other units	(79)	(73)	(84)	(61)	(75)	(39)	(78)	(75)	(57)
Traditional pension products	(5)	(5)	(7)	(3)	(3)	(3)	(3)	-	-
Baltics - reclassified as assets held for sale	129	107	111	99	-	-	-	-	-
Total collective impairment of loans	(4 601)	(4 596)	(4 488)	(4 208)	(3 816)	(3 100)	(2 527)	(2 058)	(2 099)

1.7.7 Collective impairment for principal customer groups

<i>Amounts in NOK million</i>	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Private individuals	(278)	(260)	(332)	(383)	(388)	(400)	(403)	(405)	(421)
Transportation by sea and pipelines and vessel construction	(2 752)	(2 719)	(2 322)	(2 023)	(1 627)	(1 072)	(727)	(661)	(744)
Real estate	(69)	(66)	(81)	(91)	(97)	(89)	(88)	(81)	(84)
Manufacturing	(228)	(234)	(239)	(318)	(347)	(371)	(397)	(364)	(345)
Services	(137)	(124)	(127)	(142)	(154)	(144)	(159)	(132)	(131)
Trade	(211)	(126)	(138)	(150)	(175)	(173)	(174)	(88)	(97)
Oil and gas	(863)	(1 001)	(1 175)	(988)	(787)	(634)	(368)	(143)	(93)
Transportation and communication	(56)	(51)	(53)	(59)	(79)	(63)	(50)	(45)	(38)
Building and construction	(70)	(63)	(68)	(74)	(77)	(77)	(80)	(86)	(76)
Power and water supply	(40)	(34)	(37)	(51)	(58)	(46)	(26)	(14)	(12)
Seafood	(3)	(5)	(5)	(7)	(8)	(12)	(14)	(16)	(16)
Hotels and restaurants	(7)	(7)	(6)	(6)	(7)	(7)	(15)	(12)	(11)
Agriculture and forestry	(6)	(5)	(6)	(7)	(8)	(8)	(8)	(6)	(10)
Other sectors	(9)	(8)	(9)	(7)	(6)	(5)	(18)	(5)	(21)
Total customers	(4 730)	(4 703)	(4 599)	(4 307)	(3 816)	(3 100)	(2 527)	(2 058)	(2 099)
Credit institutions	(0)	(0)							
Baltics - reclassified as assets held for sale	129	107	111	99	-	-	-	-	-
Total collective impairment of loans	(4 601)	(4 596)	(4 488)	(4 208)	(3 816)	(3 100)	(2 527)	(2 058)	(2 099)

The breakdown into principal customer groups corresponds to the EU's standard industrial classification, NACE Rev.2 and deviate from the risk classification used in chapter 1.8 Commitments.

1.8.1 Exposure at default by customer segments as defined in DNB's management reporting

In November 2015, a portfolio of home mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring, and in November 2016, mortgages representing an additional NOK 5 billion were sold. The portfolios have been removed from the reported EAD figures. The loans are reported in DNB Livsforsikring's investment portfolio and included in market risk.

DNB Group ¹⁾

Amounts in NOK billion	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Commercial real estate ²⁾	196.8	205.0	202.3	208.9	212.9	209.8	214.7	215.9	207.7
Shipping	101.0	106.8	108.7	109.5	118.3	121.1	133.5	138.1	136.1
Oil, gas and offshore	122.9	131.1	138.1	140.5	150.5	155.2	165.8	167.1	155.5
Power and renewables	47.6	45.7	46.0	43.5	44.2	46.9	49.9	53.3	51.8
Healthcare	33.3	34.0	33.2	34.0	43.8	44.6	38.5	51.3	46.5
Other corporate customers	80.2	82.6	80.4	81.7	76.8	75.8	82.0	80.0	73.8
Public sector	33.9	35.4	34.6	35.5	39.1	37.3	34.6	34.1	31.8
Fishing and fish farming	37.3	37.1	39.1	37.0	36.3	37.2	38.6	37.6	35.3
Trade	53.8	52.1	48.6	48.9	50.9	47.2	49.4	53.4	53.2
Manufacturing	87.0	83.6	85.1	84.5	88.9	86.5	91.0	96.4	91.3
Technology, media and telecom	42.4	41.3	38.6	36.6	35.7	35.8	38.3	38.7	35.9
Services	40.3	40.5	35.6	35.6	36.2	34.8	37.4	43.8	43.3
Residential property ²⁾	80.1	64.4	62.7	60.8	59.5	58.5	53.3	53.4	53.6
Mortgages and other exposures, personal customers ¹⁾	975.2	963.0	944.4	942.3	922.9	898.9	884.7	906.4	896.0
Total customers	1 931.7	1 922.7	1 897.5	1 899.2	1 916.0	1 889.6	1 911.6	1 969.5	1 911.9
Credit institutions	34.7	31.1	25.3	23.6	23.3	29.1	28.0	29.1	27.3
Total net exposure at default	1 966.4	1 953.8	1 922.8	1 922.9	1 939.3	1 918.7	1 939.7	1 998.6	1 939.1

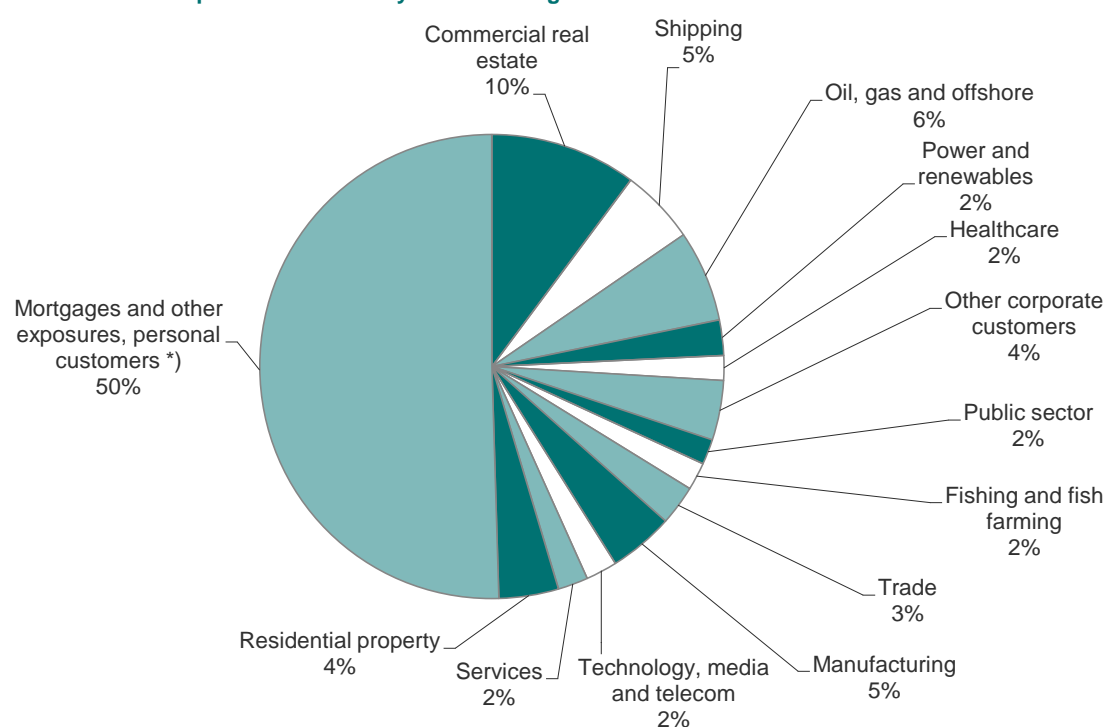
*) Of which:

Mortgages	835.4	825.5	808.6	806.1	787.1	763.6	749.9	774.2	767.5
Other exposures	139.9	137.5	135.9	136.1	135.7	135.2	134.7	132.2	128.5

1) For a breakdown of the different customer segments, see next page.

2) Construction loans in the large corporates and international customers segment previously classified as commercial real estate, have been reclassified as residential real estate as of 2Q17.

Distribution of exposure at default by customer segments as at 30 June 2017



Including net non-performing and net doubtful loans and guarantees. Includes portfolio in the Baltics.

Exposures at default are based on full implementation of IRB. The portfolio banks and financial institutions is still subject to final IRB approval from the Norwegian FSA (Finanstilsynet).

*) Of which mortgages 43 per cent.

1.8.2 Risk classification of portfolio

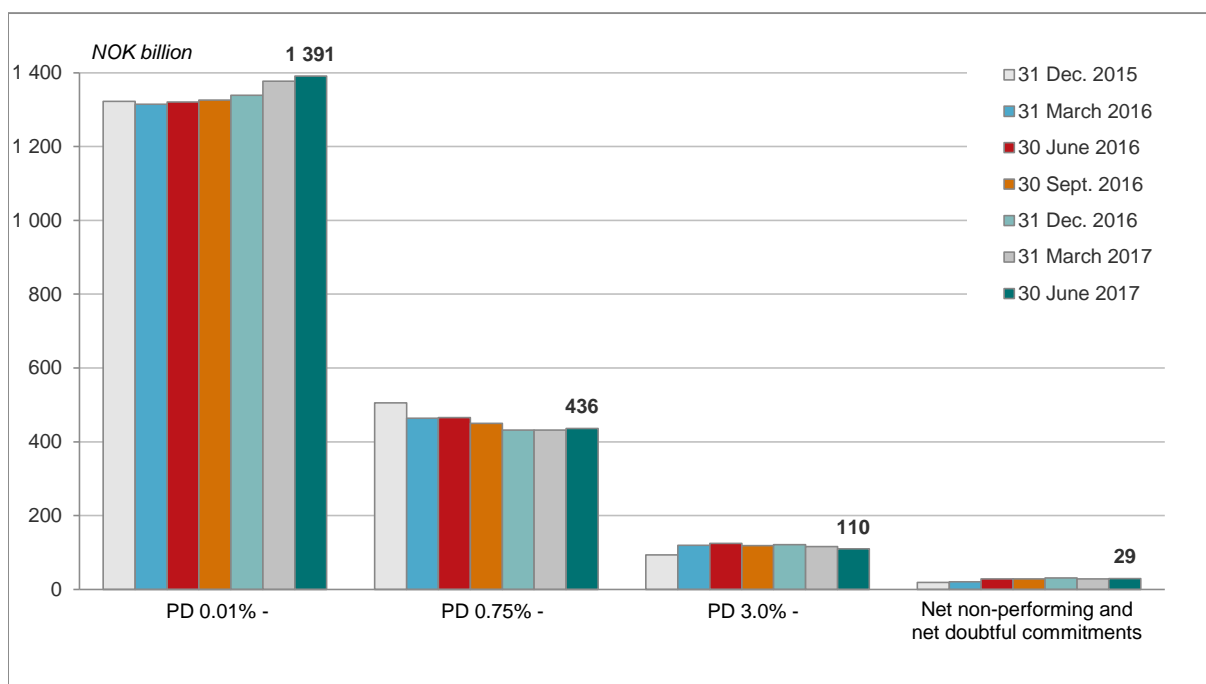
	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
PD 0.01% -									
Personal customers	722.0	726.7	709.1	700.1	681.2	666.3	649.5	656.0	649.8
Small and medium-sized enterprises	190.4	187.6	178.4	170.0	165.8	162.6	163.8	159.4	150.4
Large corporates and international customers ¹⁾	478.7	462.9	451.8	455.8	473.6	486.1	509.3	531.1	492.3
Total DNB Group ¹⁾	1 391.1	1 377.2	1 339.4	1 325.9	1 320.6	1 315.0	1 322.6	1 346.5	1 292.4
PD 0.75% -									
Personal customers	175.3	160.7	160.4	167.9	166.2	157.0	158.0	169.2	168.3
Small and medium-sized enterprises	92.5	93.8	88.3	87.9	88.5	88.2	89.3	92.3	97.2
Large corporates and international customers ¹⁾	168.0	177.5	182.8	194.0	210.6	218.8	257.9	295.3	289.9
Total DNB Group ¹⁾	435.8	432.1	431.5	449.8	465.3	464.0	505.2	556.8	555.4
PD 3.00% -									
Personal customers	14.8	15.4	15.8	16.6	16.5	16.4	17.4	18.4	19.0
Small and medium-sized enterprises	20.0	19.2	21.3	21.8	21.8	21.6	21.5	22.9	21.9
Large corporates and international customers ¹⁾	75.3	81.8	84.1	80.7	86.7	81.5	54.3	35.5	32.6
Total DNB Group ¹⁾	110.1	116.4	121.2	119.1	125.0	119.5	93.2	76.7	73.5
Net non-performing and net doubtful commitments									
Personal customers	2.6	2.4	2.4	2.5	2.8	2.6	2.6	3.0	3.3
Small and medium-sized enterprises	4.9	4.1	4.0	4.9	4.0	3.8	3.9	4.5	4.5
Large corporates and international customers ¹⁾	21.9	21.7	24.3	20.7	21.6	13.9	12.2	11.0	10.1
Total DNB Group ¹⁾	29.4	28.1	30.7	28.1	28.5	20.3	18.7	18.5	17.8
Total Personal customers	914.7	905.1	887.8	887.0	866.7	842.3	827.5	846.6	840.3
Total Small and medium-sized enterprises	307.8	304.7	292.1	284.6	280.1	276.2	278.5	279.1	274.0
Total Large corporates and international customers ¹⁾	743.9	744.0	742.9	751.2	792.5	800.3	833.7	872.9	824.8
Total risk classification of portfolio - DNB Group	1 966.4	1 953.8	1 922.8	1 922.9	1 939.3	1 918.7	1 939.7	1 998.6	1 939.1

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
*) of which international portfolio									
PD 0.01% -	287.9	285.3	273.5	278.3	292.9	306.4	325.7	336.6	309.8
PD 0.75% -	108.6	113.3	115.8	118.9	130.9	139.3	154.7	181.1	176.7
PD 3.00% -	42.6	47.9	47.5	45.3	45.0	38.7	24.8	15.7	15.7
Net non-performing and net doubtful commitments	15.1	13.3	15.4	12.5	14.4	9.4	9.6	8.9	7.9
Total international portfolio	454.1	459.9	452.2	455.0	483.2	493.8	514.8	542.3	510.1
*) of which commercial real estate									
PD 0.01% -	138.6	144.9	141.7	146.0	148.0	146.7	147.7	143.6	136.3
PD 0.75% -	48.1	49.9	49.2	49.6	52.0	49.4	53.6	60.7	59.9
PD 3.00% -	8.0	8.1	9.3	11.0	10.5	11.0	10.5	8.7	8.7
Net non-performing and net doubtful commitments	2.1	2.0	2.1	2.3	2.4	2.7	2.8	2.9	2.9
Total commercial real estate	196.8	205.0	202.3	208.9	212.9	209.8	214.7	215.9	207.7

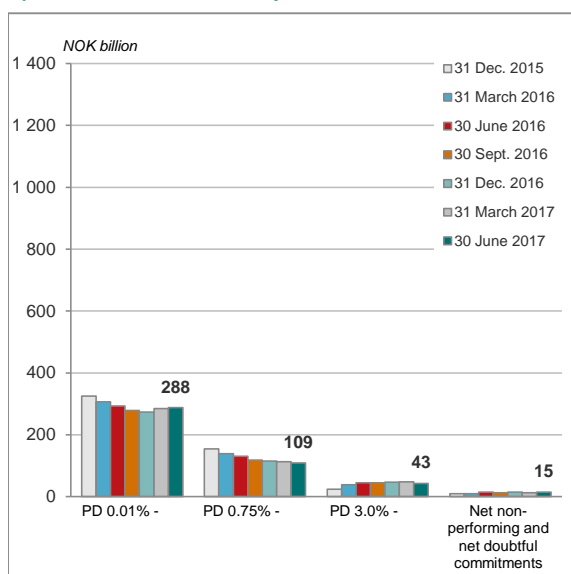
1) For a breakdown into sub-segments, see table 1.8.8.

Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default. Includes portfolio in the Baltics.

1.8.3 Risk classification of portfolio - DNB Group ^{*)}

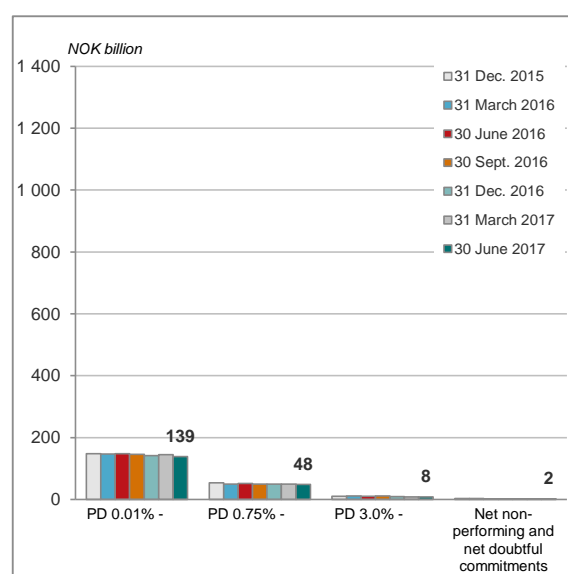


^{*)} of which international portfolio ¹⁾



1) The international portfolio comprises business recorded outside Norway.

^{*)} of which commercial real estate



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default. Includes portfolio in the Baltics.

1.8.4 Segment areas - exposure at default according to sector ¹⁾

Personal customers

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Mortgages	804.1	795.5	778.8	775.8	755.6	731.5	717.1	735.8	732.0
Other exposures	110.7	109.6	109.0	111.2	111.2	110.8	110.4	110.8	108.4
Total customers	914.7	905.1	887.8	887.0	866.7	842.3	827.5	846.6	840.3
Credit institutions									
Total net exposure at default	914.7	905.1	887.8	887.0	866.7	842.3	827.5	846.6	840.3

Small and medium-sized enterprises

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Commercial real estate	112.0	112.5	109.5	105.9	103.4	98.5	100.6	98.9	97.4
Shipping	0.9	0.9	1.2	0.8	1.1	1.1	1.2	1.2	2.1
Oil, gas and offshore	0.4	0.6	0.5	0.5	0.5	0.5	0.6	0.7	0.5
Power and renewables	8.6	8.7	8.6	7.0	6.8	7.2	7.3	7.1	6.5
Healthcare	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public sector	14.8	13.8	12.7	13.1	14.0	14.3	14.6	14.7	13.8
Fishing and fish farming	14.6	15.0	15.2	14.5	13.8	13.9	14.0	13.7	13.7
Trade	17.3	17.0	16.0	16.9	17.2	17.3	17.2	18.7	18.9
Manufacturing	16.7	17.6	18.5	19.4	18.8	17.8	18.1	19.5	18.4
Technology, media and telecom	2.1	2.0	1.6	1.7	1.6	1.5	2.0	1.9	1.9
Services	13.1	12.8	10.4	10.4	10.4	10.6	10.3	9.8	9.9
Residential property	47.5	43.7	43.2	43.0	42.9	43.3	42.0	40.9	40.8
Mortgages and other exposures, personal customers	27.3	26.3	24.5	21.4	21.3	20.9	21.2	24.0	22.6
Other corporate customers	28.7	29.8	26.2	25.9	24.3	25.0	25.0	23.5	22.7
Total customers	303.9	300.7	288.1	280.6	276.1	272.1	274.2	274.6	269.2
Credit institutions	3.8	4.1	3.9	4.0	4.0	4.1	4.2	4.5	4.7
Total net exposure at default	307.8	304.7	292.1	284.6	280.1	276.2	278.5	279.1	274.0

Large corporates and international customers ¹⁾

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Commercial real estate ²⁾	84.8	92.4	92.8	103.0	109.5	111.2	114.1	117.1	110.3
Shipping	100.1	105.9	107.5	108.6	117.2	120.0	132.3	136.9	134.0
Oil, gas and offshore	122.5	130.6	137.6	140.0	150.0	154.7	165.2	166.4	155.0
Power and renewables	39.0	37.0	37.4	36.5	37.4	39.7	42.6	46.3	45.3
Healthcare	33.3	34.0	33.1	33.9	43.7	44.5	38.4	51.2	46.3
Public sector	19.1	21.6	21.9	22.4	25.1	23.0	20.4	19.8	18.3
Fishing and fish farming	22.7	22.1	23.9	22.6	22.5	23.3	24.9	24.1	21.9
Trade	36.5	35.1	32.7	32.0	33.7	30.0	32.8	35.3	34.8
Manufacturing	70.3	66.0	66.6	65.1	70.1	68.7	73.4	77.6	73.3
Technology, media and telecom	40.3	39.3	37.0	34.9	34.2	34.3	36.5	37.0	34.2
Services	27.2	27.7	25.2	25.2	25.8	24.2	28.5	35.3	34.6
Residential property ²⁾	32.6	20.7	19.5	18.8	17.9	16.6	12.9	14.3	14.5
Mortgages and other exposures, personal customers	33.2	31.6	32.1	32.8	33.6	33.8	31.0	30.8	28.4
Other corporate customers	51.5	52.9	54.3	55.8	52.5	51.2	57.0	56.5	51.1
Total customers	713.0	716.9	721.6	731.6	773.2	775.3	809.9	848.3	802.3
Credit institutions	30.9	27.0	21.3	19.7	19.3	25.0	23.8	24.6	22.6
Total net exposure at default	743.9	744.0	742.9	751.2	792.5	800.3	833.7	872.9	824.8

1) For a breakdown into sub-segments, see table 1.8.7.

2) Construction loans previously classified as commercial real estate, have been reclassified as residential real estate as of 2Q17.

The breakdown into principal customer groups is based on the internal segmentation in DNB. Exposures at default are based on full implementation of IRB, i.e. some of the IRB reported portfolios are still subject to final IRB approval from the Norwegian FSA (Finanstilsynet). Includes portfolio in the Baltics.

1.8.5 Exposure at default, breakdown of commercial real estate exposure

Amounts in NOK billion	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Retail store facility building loans	1.5	1.8	1.6	1.8	1.6	1.9	1.7	1.8	1.7
Hotel building loans	2.2	9.3	9.2	8.8	8.9	9.1	5.7	5.6	5.4
Shopping centre building loans	0.3	2.2	2.2	2.3	2.3	2.4	2.3	2.2	2.2
Office premises building loans	3.2	4.6	5.3	4.9	1.7	4.8	4.0	4.6	4.4
Leasing of retail store facilities	9.0	8.9	8.9	9.7	9.7	11.0	10.4	12.0	12.5
Leasing of hotels	22.2	14.3	13.6	15.3	16.1	17.3	20.3	17.4	16.8
Leasing of shopping centres	11.8	9.6	10.0	10.4	10.2	2.7	9.3	12.0	11.5
Leasing of office premises	88.0	95.0	93.0	100.6	102.5	100.0	91.1	97.9	92.4
Leasing of warehouse/ logistics/ multi-purpose buildings	14.3	14.7	16.8	17.4	15.7	17.5	17.7	19.4	20.2
Other	44.2	44.6	41.7	37.6	44.1	43.1	52.3	43.1	40.5
Total ¹⁾	196.8	205.0	202.3	208.9	212.9	209.8	214.7	215.9	207.7

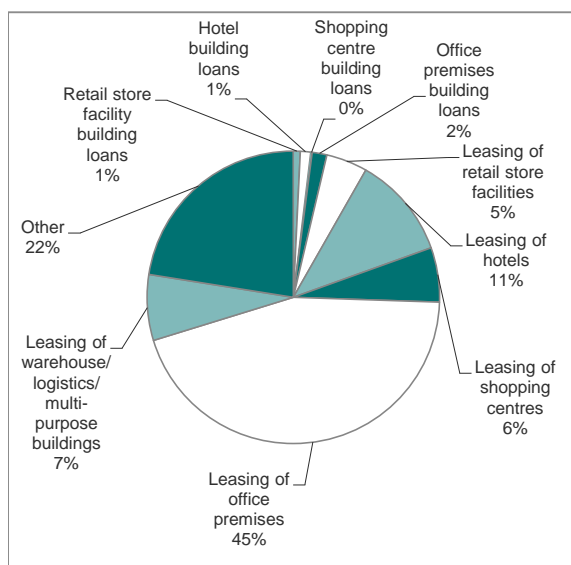
1) Construction loans previously classified as commercial real estate, have been reclassified as residential real estate as of 2Q17.

1.8.6 Exposure at default, geographic distribution of commercial real estate exposure

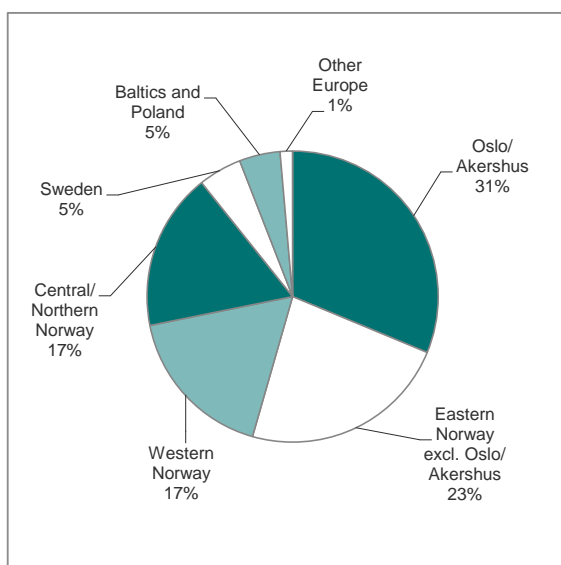
Amounts in NOK billion	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Oslo/ Akershus	61.5	68.4	52.7	55.0	57.2	56.5	59.9	63.0	59.1
Eastern Norway excl. Oslo/ Akershus	45.6	45.5	57.3	58.3	57.6	49.8	52.3	52.0	50.7
Western Norway	34.2	35.0	42.2	44.6	44.5	45.6	46.2	44.8	44.0
Central/ Northern Norway	34.4	34.9	34.5	34.3	34.8	38.2	38.7	39.1	38.2
Sweden	9.5	9.7	4.3	5.1	6.4	6.7	5.2	4.9	4.1
Baltics and Poland	8.9	8.6	8.4	8.4	8.9	9.3	8.7	8.6	8.2
Other Europe	2.7	2.9	2.9	3.2	3.4	3.7	3.7	3.6	3.5
Total ¹⁾	196.8	205.0	202.3	208.9	212.7	209.8	214.7	215.9	207.7

1) Construction loans previously classified as commercial real estate, have been reclassified as residential real estate as of 2Q17.

Exposure at default, breakdown of commercial real estate exposure



Exposure at default, geographic distribution of commercial real estate exposure



Exposures at default are based on full implementation of IRB, i.e. some of the IRB reported portfolios are still subject to final IRB approval from the Norwegian FSA (Finanstilsynet). The definition of these segments reflects the actual underlying commercial property risk. Includes portfolio in the Baltics.

1.8.7 Sub-segments in Large corporates and international customers - exposure at default according to sector

Nordic Corporates Division	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Financial institutions	26.2	21.4	16.7	15.2	11.4	17.1	17.5	17.8	14.2
Hotels and accommodation	27.5	26.6	25.9	25.6	25.2	26.9	25.9	21.0	19.4
Commercial real estate ¹⁾	53.9	63.6	64.5	72.7	77.0	77.7	81.1	86.8	82.2
Residential real estate ¹⁾	32.5	20.7	19.5	18.7	17.1	16.5	12.7	14.2	14.4
Construction	6.9	7.2	6.4	7.6	8.1	7.5	6.7	7.5	7.6
Services	21.6	22.4	19.3	20.3	20.5	19.4	22.2	27.5	25.8
Public sector	15.0	17.8	17.4	17.2	17.7	16.5	13.6	12.8	11.3
Trade	24.2	23.2	21.1	20.6	21.6	20.2	20.5	22.5	22.9
Other corporate customers	13.4	12.0	10.7	9.0	14.0	12.8	14.1	11.9	11.1
Total	221.3	215.0	201.4	207.0	212.7	214.6	214.3	221.8	208.9

International Corporates Division	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Seafood and agriculture	16.8	16.7	17.4	16.4	16.1	16.8	18.0	17.8	16.2
Healthcare	32.4	33.1	32.7	33.5	43.4	44.2	38.0	50.6	42.3
Branded goods	8.8	9.7	10.6	10.0	10.6	9.8	9.7	9.8	8.9
Forestry/ pulp and paper	14.9	14.2	14.5	13.0	13.1	14.1	14.8	14.3	12.5
Other manu-facturing industries	23.2	22.8	22.2	24.0	25.1	23.6	25.2	28.8	23.6
Technology, media and telecom	34.8	34.2	32.3	30.6	31.1	31.1	33.1	33.6	30.5
Other business activities	18.9	20.9	16.3	17.7	18.2	15.2	16.7	18.4	26.2
Total	149.9	151.7	146.0	145.4	157.5	154.8	155.4	173.4	160.3

Energy Division	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Midstream	15.5	16.6	18.7	19.2	20.1	22.0	23.5	20.3	14.1
Oil and gas	37.4	41.1	40.9	41.8	45.5	46.8	58.7	60.8	62.4
Oilfield services	20.0	22.0	24.1	24.7	28.0	28.8	22.7	23.9	22.5
Power and renewables	34.7	32.9	33.3	33.8	34.8	37.0	37.5	41.5	41.1
Other energy	9.8	6.1	6.9	7.1	6.5	7.2	10.2	14.9	16.2
Total	117.4	118.7	123.9	126.6	134.9	141.9	152.6	161.5	156.3

Shipping, Offshore and Logistics Division	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Chemical and product tankers	12.4	12.7	13.7	12.4	14.8	16.2	18.5	18.2	17.6
Container	16.7	18.7	16.9	17.9	20.2	21.0	22.7	22.8	22.3
Crude oil tankers	23.1	23.3	23.5	23.5	22.3	20.7	24.2	26.0	24.4
Cruise	8.5	9.1	9.8	9.0	9.6	9.8	10.5	11.5	10.6
Dry cargo	17.6	20.2	21.2	20.2	21.4	21.6	24.6	27.2	25.9
Gas	16.1	18.2	19.8	20.4	23.4	22.8	24.1	24.1	26.2
Logistics	6.7	6.5	6.6	6.7	7.1	7.3	8.7	9.1	5.5
Offshore	47.4	50.3	53.4	53.2	56.2	56.8	62.2	63.0	56.5
RoRo/PCC	3.4	3.5	3.7	2.9	3.1	3.7	6.1	5.7	7.6
Other shipping	8.9	7.8	6.4	8.8	9.6	12.2	10.7	11.1	12.2
Other non-shipping	3.0	3.6	3.7	3.7	4.1	4.2	5.4	5.4	4.7
Total	163.8	173.9	178.7	178.6	191.8	196.2	217.7	224.1	213.5

Baltics and Poland	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Mortgages and other exposures, personal customers	33.2	31.6	31.2	30.7	31.7	32.0	32.7	32.5	30.0
Real estate	7.7	7.4	6.8	7.1	7.4	7.7	7.8	7.7	7.3
Manufacturing	7.6	7.1	6.9	7.3	7.7	8.0	8.2	8.2	7.7
Services	5.6	5.0	4.3	4.1	3.7	3.7	3.9	3.8	3.9
Trade	5.2	5.7	5.6	5.5	5.0	4.4	4.8	5.3	4.9
Agriculture and forestry	3.4	3.2	3.2	3.3	2.8	2.7	2.8	2.9	2.5
Central and local government	4.9	4.7	4.7	5.5	5.5	5.2	5.3	5.5	5.3
Other sectors	5.1	4.6	5.1	5.0	6.2	6.1	6.3	5.7	5.2
Total	72.6	69.3	67.8	68.4	70.0	69.7	71.8	71.5	66.9

1) Construction loans previously classified as commercial real estate, have been reclassified as residential real estate as of 2Q17.

Exposures at default are based on full implementation of IRB, i.e. some of the IRB reported portfolios are still subject to final IRB approval from the Norwegian FSA (Finanstilsynet). Includes portfolio in the Baltics.

1.8.8 Sub-segments in Large corporates and international customers - risk classification of portfolio

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
PD 0.01% -									
Nordic Corporates Division	186.8	177.2	164.4	168.2	165.8	171.1	170.1	167.1	150.7
International Corporates Division	119.2	117.6	111.7	107.7	118.5	115.7	112.5	125.5	113.1
Energy Division	83.5	81.9	86.3	87.0	93.3	100.1	115.8	125.9	121.6
Shipping, Offshore and Logistics Division ^{*)}	31.1	33.8	33.5	36.3	38.4	44.1	55.3	67.5	66.0
Baltics and Poland	45.2	42.2	41.3	41.3	42.3	42.0	43.3	33.8	30.9
Total Large corporates and international customers	465.7	452.8	437.1	440.6	458.3	473.0	496.9	519.9	482.3
PD 0.75% -									
Nordic Corporates Division	26.9	28.6	27.7	29.4	35.7	31.1	33.1	44.9	49.7
International Corporates Division	25.9	28.2	27.2	30.4	26.8	29.3	31.9	41.8	41.7
Energy Division	18.6	20.5	18.4	21.1	21.6	23.5	28.7	29.1	31.0
Shipping, Offshore and Logistics Division ^{*)}	71.4	75.5	80.8	84.9	98.0	106.9	135.8	142.6	132.5
Baltics and Poland	21.0	20.6	20.0	20.0	20.2	19.7	20.6	29.0	27.6
Total Large corporates and international customers	163.8	173.3	174.1	185.7	202.3	210.5	250.0	287.5	282.5
PD 3.00% -									
Nordic Corporates Division	5.2	7.2	7.4	7.4	9.4	10.7	9.8	8.3	7.0
International Corporates Division	4.4	5.4	6.6	6.9	11.8	9.4	10.4	5.5	4.8
Energy Division	12.4	13.5	14.6	14.4	15.1	15.6	5.1	5.4	3.5
Shipping, Offshore and Logistics Division ^{*)}	47.8	50.7	50.1	46.3	44.3	39.8	23.4	10.4	11.7
Baltics and Poland	4.0	4.1	3.8	4.1	4.1	4.4	4.2	4.5	4.3
Total Large corporates and international customers	73.7	80.8	82.5	79.2	84.7	79.9	52.8	34.1	31.3
Net non-performing and net doubtful commitments									
Nordic Corporates Division	2.4	2.1	1.9	2.0	1.9	1.7	1.4	1.6	1.5
International Corporates Division	0.5	0.4	0.5	0.4	0.4	0.3	0.6	0.5	0.7
Energy Division	2.9	2.8	4.6	4.1	4.8	2.7	3.0	1.0	0.2
Shipping, Offshore and Logistics Division ^{*)}	13.6	13.9	14.4	11.1	11.1	5.5	3.3	3.6	3.3
Baltics and Poland	2.5	2.5	2.7	3.0	3.4	3.6	3.8	4.1	4.1
Total Large corporates and international customers	21.8	21.6	24.0	20.6	21.5	13.7	12.1	10.8	9.9

***) Breakdown into sub-segments in the Shipping, Offshore and Logistics Division:**

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
PD 0.01% -									
Shipping portfolio - crude oil sector	0.4	1.5	1.1	5.0	4.6	2.4	4.8	4.7	1.2
Shipping portfolio - dry bulk sector	0.1	0.5	0.5	0.5	0.9	0.6	0.6	0.9	0.9
Shipping portfolio - container sector	4.1	5.5	2.7	2.7	2.5	7.0	7.9	8.0	7.9
Other	26.4	26.3	29.2	28.2	30.5	34.1	42.0	53.9	56.1
Total Shipping, Offshore and Logistics Division	31.1	33.8	33.5	36.3	38.4	44.1	55.3	67.5	66.0
PD 0.75% -									
Shipping portfolio - crude oil sector	17.1	17.7	18.9	15.0	14.7	18.1	18.7	21.0	22.8
Shipping portfolio - dry bulk sector	10.9	11.6	12.7	13.3	15.3	16.3	19.1	21.9	21.5
Shipping portfolio - container sector	10.8	9.4	10.2	11.0	12.7	10.1	11.5	14.4	11.8
Other	32.7	36.8	38.9	45.6	55.4	62.4	86.6	85.3	76.5
Total Shipping, Offshore and Logistics Division	71.4	75.5	80.8	84.9	98.0	106.9	135.8	142.6	132.5
PD 3.00% -									
Shipping portfolio - crude oil sector	5.6	4.1	3.4	3.5	3.1	0.2	0.8	0.3	0.5
Shipping portfolio - dry bulk sector	4.4	6.9	6.8	5.2	3.9	3.3	3.5	2.9	2.3
Shipping portfolio - container sector	0.8	3.2	3.3	3.1	4.2	3.5	3.2	0.1	2.2
Other	37.0	36.6	36.6	34.5	33.1	32.8	16.0	7.1	6.7
Total Shipping, Offshore and Logistics Division	47.8	50.7	50.1	46.3	44.3	39.8	23.4	10.4	11.7
Net non-performing and net doubtful commitments									
Shipping portfolio - crude oil sector		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shipping portfolio - dry bulk sector	2.3	1.2	1.2	1.2	1.3	1.3	1.3	1.5	1.2
Shipping portfolio - container sector	0.9	0.6	0.7	1.0	0.9	0.4	0.2	0.2	0.5
Other	10.4	12.0	12.4	8.9	8.9	3.8	1.8	1.8	1.7
Total Shipping, Offshore and Logistics Division	13.6	13.9	14.4	11.1	11.1	5.5	3.3	3.6	3.3
Total risk classification portfolio - Shipping, Offshore and Logistics Division	163.8	173.9	178.7	178.6	191.8	196.2	217.7	224.1	213.5

Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default. Includes portfolio in the Baltics.

1.8.8 Sub-segments in Large corporates and international customers - risk classification of portfolio (continued)

Breakdown into oil related segments	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
PD 0.01% -									
The oil segment portfolio - Oil and gas sector	36.8	39.5	40.3	40.4	43.3	47.3	57.9	60.5	57.9
The oil segment portfolio - Offshore sector	2.1	2.4	3.2	2.4	2.1	5.0	10.5	18.7	16.4
The oil segment portfolio - Oilfield services sector	10.2	11.0	12.8	13.0	15.0	16.1	14.0	16.5	15.9
Total	49.1	52.9	56.3	55.7	60.4	68.5	82.4	95.6	90.2
PD 0.75% -									
The oil segment portfolio - Oil and gas sector	9.0	9.7	9.1	12.3	12.6	13.6	15.6	15.0	14.4
The oil segment portfolio - Offshore sector	4.7	7.1	8.0	11.7	16.5	19.7	38.8	38.7	35.0
The oil segment portfolio - Oilfield services sector	5.3	6.6	4.7	5.4	5.8	6.3	6.4	5.9	6.4
Total	19.1	23.4	21.9	29.4	34.9	39.6	60.7	59.6	55.8
PD 3.00% -									
The oil segment portfolio - Oil and gas sector	7.3	7.8	9.0	7.5	7.7	7.5	1.2	0.5	1.0
The oil segment portfolio - Offshore sector	31.7	29.4	30.3	30.6	29.2	29.0	11.9	4.3	4.0
The oil segment portfolio - Oilfield services sector	4.0	4.1	4.8	4.8	5.3	5.6	1.3	1.9	0.6
Total	43.0	41.3	44.0	42.8	42.2	42.1	14.3	6.6	5.6
Net non-performing and net doubtful commitments									
The oil segment portfolio - Oil and gas sector	1.3	1.4	2.1	2.0	2.3	0.8	0.8	0.8	0.0
The oil segment portfolio - Offshore sector	9.0	11.5	11.8	8.5	8.3	3.1	1.1	1.4	1.2
The oil segment portfolio - Oilfield services sector	0.7	0.7	2.0	2.0	2.3	1.1	1.4	0.1	0.0
Total	11.0	13.5	15.9	12.5	12.9	5.0	3.3	2.3	1.2

Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default. Includes portfolio in the Baltics.

1.8.9 DNB's risk classification

Risk class	Probability of default (per cent)		External rating	
	As from	Up to	Moody's	Standard & Poor's
1	0.01	0.10	Aaa - A3	AAA - A÷
2	0.10	0.25	Baa1 - Baa2	BBB+ - BBB
3	0.25	0.50	Baa3	BBB÷
4	0.50	0.75	Ba1	BB+
5	0.75	1.25	Ba2	BB
6	1.25	2.00		
7	2.00	3.00	Ba3	BB÷
8	3.00	5.00	B1	B+
9	5.00	8.00	B2	B
10	8.00	impaired	B3, Caa/C	B÷, CCC/C

DNB's risk classification system, where 1 represents the lowest risk and 10 the highest risk.

1.9.1 Development in volumes - deposits from customers

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK billion</i>									
Deposits at end of period	1 047	1 054	971	953	961	928	944	970	970
Deposits adjusted for exchange rate movements	1 026	1 041	955	949	943	908	912	944	970
Deposits adjusted for short-term money market investments	1 002	1 006	962	938	959	926	934	968	960
Deposits adjusted for short-term money market investments and exchange rate movements	980	993	945	934	942	906	901	943	960

Includes NOK 38 billion in the Baltics at end-June 2017, reclassified as liabilities held for sale in August 2016.

1.9.2 Deposits per customer group

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016
<i>Amounts in NOK billion</i>						
Households	379	361	361	359	382	365
Non-financial corporates	468	488	449	420	417	435
Other financial corporates	111	110	79	81	94	78
Other	67	77	58	71	73	59
Credit institutions	212	264	212	192	200	160
Total deposits	1 237	1 300	1 158	1 123	1 166	1 097
<i>Of which repo trading volumes</i>	17.8	23.5	21.6	10.0	13.4	13.8

The above table shows the split of deposits for the CRD IV reporting according to EU regulations and does not include non-financial companies in the DNB Group.

1.9.3 Funding

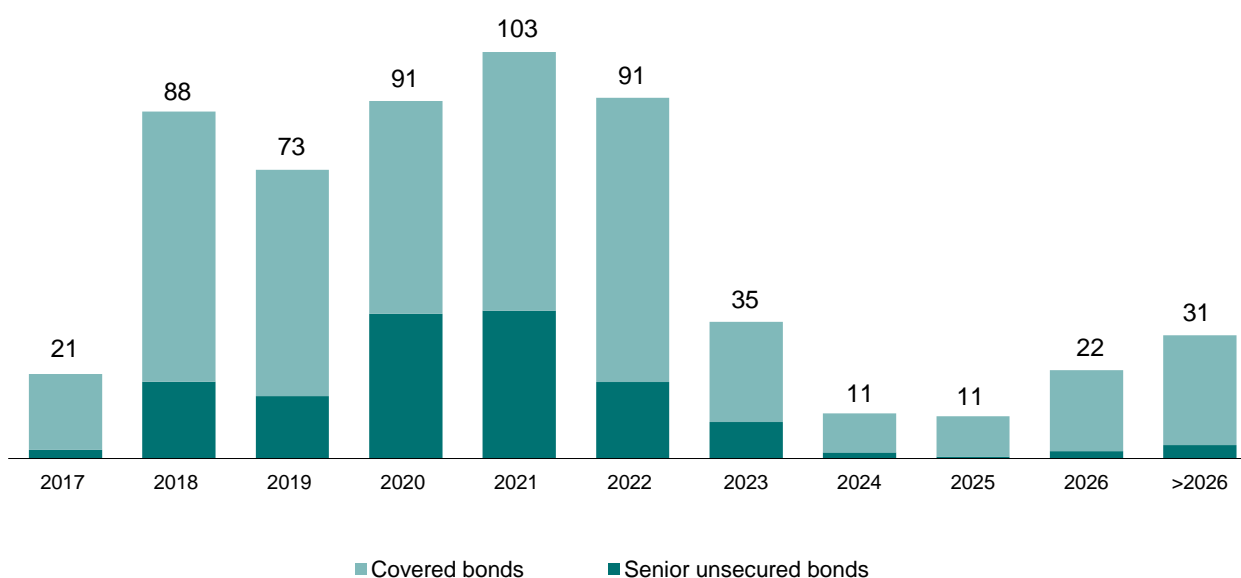
DNB Bank ASA issues senior debt and subordinated debt. DNB Boligkreditt AS, which is a wholly owned subsidiary of DNB Bank ASA, issues covered bonds. DNB issues bonds through large public transactions and private placements.

		NOK billion	Maturity (years)
2017 ¹⁾	Covered bonds	43.2	7.2
	Senior bonds	-	-
	Total	43.2	7.2
	Additional Tier 1 capital and Tier 2 loans	10.0	5.0
	Total including Tier 1 capital and Tier 2 loans	53.2	6.8
2016	Covered bonds	63.5	7.7
	Senior bonds	25.2	5.7
	Total	88.7	7.1
	Additional Tier 1 capital and Tier 2 loans	8.3	
	Total including Tier 1 capital and Tier 2 loans	97.0	
2015	Covered bonds	48.9	6.0
	Senior bonds	17.7	5.0
	Total	66.6	5.7
	Additional Tier 1 capital and Tier 2 loans	12.9	
	Total including Tier 1 capital and Tier 2 loans	79.5	
	In addition: LTRO funding	3.6	3.0

1) As of 20 June 2017.

1.9.4 Redemption profile as at 30 June 2017

NOK billion	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	>2026
Senior unsecured bonds	2.2	19.4	15.8	36.7	37.5	19.4	9.2	1.5	0.4	1.9	3.4
Covered bonds	19.2	68.5	57.4	53.9	65.6	72.1	25.4	9.9	10.3	20.5	27.8
Total	21.4	88.0	73.2	90.6	103.1	91.4	34.6	11.4	10.7	22.4	31.2



A total overview of subordinated loans as at 30 June 2017 can be found in the appendix on page 95-99.

1.9.5 Asset encumbrance as at 30 June 2017

Distribution by type of liability (rows) and encumbered asset (columns)

<i>Market value in NOK million</i>	Government/ guaranteed debt instru- ments	Supra- national debt instru- ments	Covered bonds	Debt issued by credit instru- tions	Debt issued by corporate and other issuers	Home mortgages	Commercial real estate loans	Asset- backed securities (ABS)	Total ^{*)}
Due to central banks								3 807	3 807
Repurchase agreements		7 411	1 323		2 250			2 250	13 233
Derivatives			7 773						7 773
Covered bonds issued						453 856	1 275		455 131
Total	0	7 411	9 096	0	2 250	453 856	1 275	6 057	479 944

*) Total figures per quarter

<i>Market value in NOK million</i>	30 June 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015	31 March 2015
Due to central banks	3 807	3 837	3 624	5 390	4 394	3 560	3 531	3 011	2 980
Repurchase agreements	13 233	14 067	3 368	19 189	19 809	25 822	18 325	19 802	10 997
Derivatives	7 773		2 735	31 289	38 476	55 368	59 176	48 236	60 973
Covered bonds issued	455 131	437 326	455 062	461 417	448 813	467 644	394 269	440 618	453 894
Total	479 944	455 230	464 788	517 284	511 493	552 394	475 302	511 667	528 844

1.9.6 Additional assets available for secured funding as at 30 June 2017

<i>Market value in NOK million</i>	Government/ guaranteed debt instru- ments	Supra- national debt instru- ments	Covered bonds	Debt issued by credit instru- tions	Debt issued by corporate and other issuers	Home mortgages	Commercial real estate loans	Asset- backed securities (ABS)	Total ^{*)}
Securities ¹⁾	217 964	20 080	90 265	3 270	796			10 774	343 149
Retained covered bonds						6 361	898		7 259
Cover pool overcollateralisation ²⁾						192 259	22 957		215 217
Cover pool eligible assets ³⁾							15 000		15 000
Total	217 964	20 080	90 265	3 270	796	198 620	38 855	10 774	580 625

*) Total figures per quarter

<i>Market value in NOK million</i>	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Securities	343 149	406 517	224 790	219 408	227 479	292 932	404 064	352 997	360 910
Retained covered bonds	7 259	9 008	8 755	3 856	3 991	5 611	8 462	33 430	32 725
Cover pool overcollateralisation ²⁾	215 217	165 122	190 687	190 415	193 083	193 775	193 329	278 470	187 747
Cover pool eligible assets ³⁾	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Total	580 625	595 648	439 232	428 679	439 553	507 318	620 855	679 896	596 382

1) Including available repo collateral.

2) Collateralisation in excess of the regulatory minimum. Uncommitted, rating-supportive overcollateralisation forms part of this volume.

3) Estimate.

1.9.7 Liquid assets as at 30 June 2017 ¹⁾

Amounts in NOK million	NOK	EUR	USD	Other	Total ^{*)}
Cash and deposits with central banks	16 516	117 880	98 428	28 196	261 020
Deposits with other banks ²⁾	42 505	1 251	11 356	101 906	157 018
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks ³⁾	52 073	10 669	33 553	2 733	99 029
Securities issued or guaranteed by municipalities or public sector entities	1 424	749	9 408	2 197	13 778
Covered bonds					
- issued by other institutions	37 649	7 504	11 982	10 700	67 834
- own issued	7 259				7 259
Securities issued by non-financial corporates	291	3	41	280	615
Securities issued by financial corporates and ABS ³⁾	3 121	7 882	1 964	1 078	14 045
Total	160 837	145 937	166 733	147 090	620 598

*) Total figures per quarter

Amounts in NOK million	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Cash and deposits with central banks	261 020	365 700	201 176	171 376	145 905	163 494	19 317	182 882	187 264
Deposits with other banks ²⁾	157 018	198 747	191 145	187 796	191 782	173 531	212 763	192 163	191 523
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks ³⁾	99 029	119 016	115 165	108 499	110 796	100 455	90 074	96 449	81 966
Securities issued or guaranteed by municipalities or public sector entities	13 778	12 068	11 425	10 829	10 804	12 168	10 779	6 830	9 957
Covered bonds									
- issued by other institutions	67 834	72 938	78 626	80 981	83 381	83 196	86 022	93 225	90 313
- own issued	7 259	9 008	8 755	3 856	3 991	12 650	8 462	33 855	33 300
Securities issued by non-financial corporates	615	616	858	899	1 327	1 295	1 637	1 847	3 026
Securities issued by financial corporates and ABS ³⁾	14 045	19 007	18 717	18 200	21 422	28 044	27 147	31 089	31 625
Total	620 598	797 100	625 867	582 437	569 408	574 832	456 202	638 339	628 974

1) Excluding assets in DNB Livsforsikring and encumbered securities. Including trading portfolio.

2) Including netting of repo transactions.

3) Including hold-to-maturity portfolio.

1.9.8 Liquidity Coverage Ratio

Per cent	EUR	USD	NOK	Total
30 June 2017	591	147	76	123
31 March 2017	455	137	82	135

1.10.1 Primary capital - DNB Group

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRD IV/CRR). 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. DNB Livsforsikring and DNB Forsikring are thus not included in the calculations. Associated companies are consolidated pro rata.

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK million</i>									
Total equity excluding interim profits	197 765	206 403	206 423	180 422	181 718	188 809	190 078	164 181	162 390
50 per cent of interim profits for the year to date	4 425	1 959		6 744	4 593	2 447		7 978	5 712
Effect from regulatory consolidation	(4 705)	(5 795)	(5 795)	(4 915)	(5 038)	(6 083)	(541)	(274)	(249)
Non-eligible capital, insurance							(403)	(1 249)	(1 335)
Net additional Tier 1 capital instruments included in total equity	(15 734)	(15 589)	(15 858)	(9 594)	(9 532)	(8 064)	(8 272)	(8 198)	(8 126)
Total equity for capital adequacy purpose	181 752	186 978	184 770	172 657	171 741	177 109	180 863	162 438	158 391
Deductions	(9 720)	(16 802)	(16 555)	(8 901)	(9 759)	(17 138)	(17 957)	(9 660)	(9 680)
Common equity Tier 1 capital	172 031	170 176	168 214	163 756	161 982	159 972	162 906	152 778	148 712
Additional Tier 1 capital instruments	15 504	15 556	17 295	11 351	11 351	9 951	10 267	10 267	10 267
Tier 1 capital	187 536	185 732	185 509	175 107	173 333	169 922	173 173	163 045	158 978
Tier 2 capital, net	21 608	21 218	19 661	19 671	21 196	21 633	27 887	27 418	25 416
Total eligible capital	209 144	206 950	205 170	194 778	194 529	191 555	201 060	190 463	184 395
Risk-weighted volume, basis for transitional rule, Basel I	1 358 902	1 347 240	1 314 372	1 306 590	1 335 732	1 311 709	1 310 727	1 353 169	1 321 019
80 per cent of RWA, transitional rule	1 087 122	1 077 792	1 051 498	1 045 272	1 068 585	1 049 367	1 048 582	1 082 535	1 056 815
Net risk-weighted volume, insurance							80 791	83 758	84 516
Risk-weighted volume, transitional rules	1 087 122	1 077 792	1 051 498	1 045 272	1 068 585	1 049 367	1 129 373	1 166 293	1 141 331
Minimum capital requirement, transitional rules	86 970	86 223	84 120	83 622	85 487	83 949	90 350	93 303	91 306
Common equity Tier 1 capital ratio, transitional rules (%)	15.8	15.8	16.0	15.7	15.2	15.2	14.4	13.1	13.0
Tier 1 capital ratio, transitional rules (%)	17.3	17.2	17.6	16.8	16.2	16.2	15.3	14.0	13.9
Capital ratio, transitional rules (%)	19.2	19.2	19.5	18.6	18.2	18.3	17.8	16.3	16.2

Basel III

Risk-weighted volume, Basel III	1 072 158	977 995	957 726	950 425	984 220	941 883	1 016 454	1 076 948	1 065 757
Minimum capital requirement, Basel III	85 773	78 240	76 618	76 034	78 738	75 351	81 316	86 156	85 261
Common equity Tier 1 capital ratio, Basel III (%)	16.0	17.4	17.6	17.2	16.5	17.0	16.0	14.2	14.0
Tier 1 capital ratio, Basel III (%)	17.5	19.0	19.4	18.4	17.6	18.0	17.0	15.1	14.9
Capital ratio, Basel III (%)	19.5	21.2	21.4	20.5	19.8	20.3	19.8	17.7	17.3

Leverage ratio, Basel III (%)	7.2	6.7	7.3	6.9	6.8	6.7	6.7	6.0	6.0
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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 receive 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. As from the first quarter of 2017, the risk weight of 250 per cent for significant investments in financial sector entities also applies to the calculation according to the transitional rules (Basel I).

Capital adequacy figures include 50 per cent of interim profits in all quarters. Annual figures are exclusive of dividend payments.

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.

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.

1.10.2 Leverage ratio

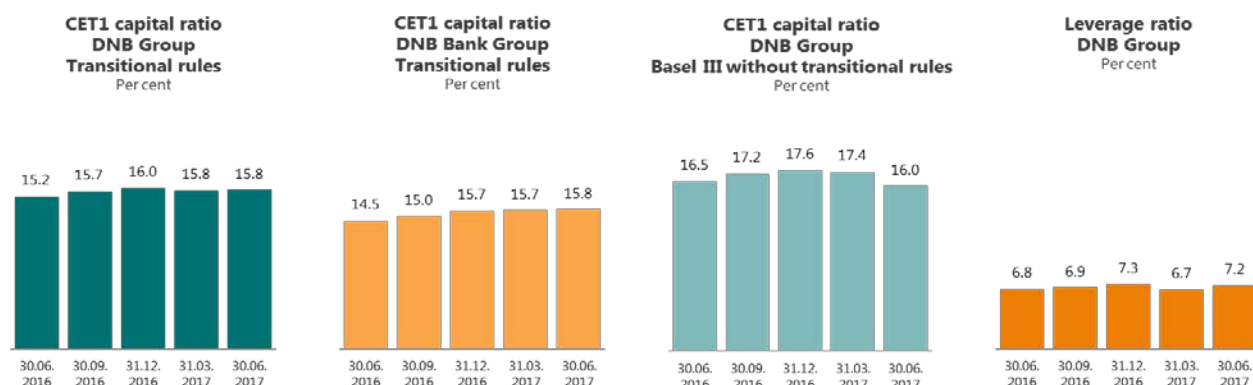
	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK million</i>									
Tier 1 capital	187 536	185 732	185 509	175 107	173 333	169 922	173 173	163 045	158 978
Leverage exposure									
Securities financing transactions (SFTs)	184 491	229 475	196 891	208 682	210 408	198 756	318 513	216 534	203 299
Derivatives market value	59 352	55 576	54 155	62 028	76 297	75 909	79 626	92 231	68 617
Potential future exposure on derivatives	23 891	34 063	32 079	31 812	26 246	32 936	35 774	36 447	28 449
Eligible cash variation margin	(18 697)	(15 486)	(15 383)	(17 305)	(18 783)	(17 716)	(17 432)	(27 094)	(16 706)
Off balance sheet commitments	246 002	248 029	242 183	238 979	240 239	236 212	250 749	252 189	255 502
Loans and advances and other assets	2 129 861	2 230 569	2 043 384	2 014 744	2 028 211	2 007 429	1 867 764	2 099 200	2 055 651
Deductions	(8 347)	(6 366)	(6 644)	(8 034)	(8 774)	(9 808)	(10 382)	(9 454)	(9 430)
Total exposure	2 616 552	2 775 860	2 546 664	2 530 905	2 553 843	2 523 718	2 524 612	2 660 054	2 585 382
Leverage ratio, Basel III (%)	7.2	6.7	7.3	6.9	6.8	6.7	6.7	6.0	6.0

1.10.3 Specification of capital requirements

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK million</i>									
IRB approach									
Corporate	39 659	33 291	32 619	32 551	34 162	31 716	33 421	29 402	28 367
Specialised lending (SL)	497	384	356	354	355	505	468	183	210
Retail - mortgages	12 630	12 590	12 465	12 358	12 507	12 403	12 241	12 922	13 073
Retail - other exposures	1 866	1 867	1 901	1 908	1 953	1 966	1 965	2 001	2 015
Securitisation	818	838	937	952	1 045	1 117	1 201	1 695	1 452
Total credit risk, IRB approach	55 470	48 970	48 279	48 123	50 023	47 707	49 295	46 202	45 116
Standardised approach									
Central government	5	6	7	5	12	25	33	6	18
Institutions	2 419	2 182	1 989	2 126	2 317	2 225	2 230	2 803	2 551
Corporate	9 770	9 445	8 767	8 668	8 883	8 430	9 657	16 687	16 537
Retail - mortgages	1 863	1 839	1 805	1 756	1 730	1 774	1 764	1 735	1 595
Retail - other exposures	3 664	3 116	2 939	3 009	3 348	2 757	2 642	2 821	3 029
Equity positions	3 685	3 607	3 584	3 450	3 464	3 453	276	188	207
Securitisation	24	40	41	52	65	67	60	64	61
Other assets	803	725	848	599	718	689	535	306	771
Total credit risk, standardised approach	22 232	20 960	19 979	19 664	20 536	19 421	17 195	24 611	24 769
Total credit risk ¹⁾	77 702	69 930	68 258	67 787	70 558	67 128	66 490	70 813	69 886
Market risk									
Position risk, debt instruments	899	1 043	1 169	1 097	1 141	1 080	1 141	1 380	1 448
Position risk, equity instruments	19	17	25	18	23	19	36	20	26
Currency risk									
Commodity risk	2	2	6	1	0	1	3	4	4
Credit value adjustment risk (CVA)	481	505	490	460	344	452	513	692	588
Total market risk	1 401	1 566	1 690	1 576	1 509	1 552	1 693	2 095	2 067
Operational risk	6 670	6 744	6 670	6 670	6 670	6 670	6 670	6 546	6 546
Net insurance, after eliminations							6 463	6 701	6 761
Deductions									
Total capital requirements according to Basel III	85 773	78 240	76 618	76 034	78 738	75 351	81 317	86 156	85 261
Additional capital requirements according to transitional rules	1 197	7 984	7 502	7 588	6 749	8 599	9 033	7 148	6 046
Total capital requirements according to transitional rules	86 970	86 223	84 120	83 622	85 487	83 949	90 350	93 303	91 306

1) See next page for further details.

1.10.4 Common equity Tier 1 capital ratio



All figures include 50 per cent of interim profits, apart from the figures as at 31 December, which are exclusive of dividend payments.

1.10.5 Specification of capital requirements for credit risk

As at 30 June 2017

	Nominal exposure	EAD, exposure at default	Average risk weights (per cent)	Risk-weighted volume	Capital requirements
<i>Amounts in NOK million</i>					
IRB approach					
Corporate	1 032 894	836 307	59.3	495 742	39 659
Specialised Lending (SL)	13 426	12 687	49.0	6 212	497
Retail - mortgages	717 347	717 347	22.0	157 873	12 630
Retail - other exposures	111 579	91 481	25.5	23 321	1 866
Securitisation	10 518	10 518	97.2	10 226	818
Total credit risk, IRB approach	1 885 763	1 668 338	41.6	693 373	55 470
Standardised approach					
Central government	59 506	71 019	0.1	65	5
Institutions	162 795	107 178	28.2	30 233	2 419
Corporate	175 622	140 281	87.1	122 122	9 770
Retail - mortgages	54 505	51 918	44.8	23 284	1 863
Retail - other exposures	149 675	64 458	71.1	45 805	3 664
Equity positions	19 997	19 996	230.4	46 062	3 685
Securitisation	1 134	534	55.8	298	24
Other assets	14 501	14 501	69.2	10 034	803
Total credit risk, standardised approach	637 736	469 886	59.1	277 903	22 232
Total credit risk	2 523 499	2 138 224	45.4	971 276	77 702

As at 31 March 2017

	Nominal exposure	EAD, exposure at default	Average risk weights (per cent)	Risk-weighted volume	Capital requirements
<i>Amounts in NOK million</i>					
IRB approach					
Corporate	1 043 503	846 689	49.1	416 135	33 291
Specialised Lending (SL)	9 985	9 464	50.7	4 799	384
Retail - mortgages	714 231	714 231	22.0	157 380	12 590
Retail - other exposures	112 820	92 716	25.2	23 336	1 867
Securitisation	11 940	11 940	87.7	10 473	838
Total credit risk, IRB approach	1 892 479	1 675 040	36.5	612 122	48 970
Standardised approach					
Central government	57 773	72 221	0.1	79	6
Institutions	157 678	102 409	26.6	27 271	2 182
Corporate	173 202	137 039	86.2	118 065	9 445
Retail - mortgages	53 233	50 639	45.4	22 986	1 839
Retail - other exposures	136 605	51 719	75.3	38 956	3 116
Equity positions	19 508	19 508	231.1	45 086	3 607
Securitisation	1 740	1 140	43.4	495	40
Other assets	13 629	13 629	66.5	9 061	725
Total credit risk, standardised approach	613 367	448 303	58.4	261 998	20 960
Total credit risk	2 505 846	2 123 343	41.2	874 121	69 930

1.10.6 Primary capital - including DNB Bank ASA and DNB Bank Group

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRD IV/CRR). 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. DNB Livsforsikring and DNB Forsikring are thus not included in the calculations. Associated companies are consolidated pro rata. Second quarter figures are partially based on estimates.

	DNB Bank ASA			DNB Bank Group			DNB Group		
	30 June 2017	31 March 2017	30 June 2016	30 June 2017	31 March 2017	30 June 2016	30 June 2017	31 March 2017	30 June 2016
<i>Amounts in NOK million</i>									
Total equity excluding profit for the period	167 972	167 757	152 512	185 588	190 092	166 752	197 765	206 403	181 718
Effect from regulatory consolidation				(181)	(181)	(581)	(4 705)	(5 795)	(5 038)
Additional Tier 1 capital instruments included in total equity	(15 574)	(15 574)	(9 453)	(15 574)	(15 574)	(9 453)	(15 574)	(15 574)	(9 453)
Net accrued interest on additional Tier 1 capital instruments	(160)	(15)	(79)	(160)	(15)	(79)	(160)	(15)	(79)
Total equity	152 238	152 167	142 980	169 673	174 321	156 639	177 326	185 019	167 148
Deductions									
Pension funds above pension commitments	(6)	(3)	(40)	(6)	(3)	(40)	(6)	(3)	(40)
Goodwill	(2 910)	(2 892)	(2 979)	(2 966)	(2 947)	(2 996)	(4 671)	(4 652)	(4 701)
Deferred tax assets that are not due to temporary differences	(224)	(224)	(195)	(599)	(599)	(641)	(599)	(599)	(641)
Other intangible assets	(721)	(684)	(621)	(1 034)	(991)	(985)	(1 034)	(991)	(985)
Dividends payable etc.					(5 084)		(1 161)	(9 284)	
Significant investments in financial sector entities							(702)		(640)
Expected losses exceeding actual losses, IRB portfolios	(394)	(71)	(632)	(525)	(121)	(1 233)	(525)	(121)	(1 233)
Value adjustments due to the requirements for prudent valuation (AVA)	(457)	(498)	(555)	(810)	(907)	(909)	(810)	(907)	(909)
Adjustments for unrealised losses/(gains) on debt recorded at fair value	107	107	(16)	(90)	(90)	(414)	(90)	(90)	(414)
Adjustments for unrealised losses/(gains) arising from the institution's own credit risk related to derivative liabilities	(521)	(575)	(970)	(123)	(155)	(196)	(123)	(155)	(196)
Common Equity Tier 1 capital	147 112	147 327	136 973	163 520	163 424	149 225	167 606	168 217	157 389
Common Equity Tier 1 capital incl. 50 per cent of profit for the period	150 592	149 106	140 255	167 641	165 411	153 853	172 031	170 176	161 982
Additional Tier 1 capital instruments	15 574	15 574	11 351	15 574	15 574	11 351	15 574	15 574	11 351
Non-eligible Tier 1 capital, DNB Group ¹⁾							(69)	(18)	
Tier 1 capital	162 686	162 901	148 323	179 094	178 998	160 575	183 110	183 773	168 739
Tier 1 capital incl. 50 per cent of profit for the period	166 165	164 679	151 606	183 215	180 985	165 204	187 536	185 732	173 333
Perpetual subordinated loan capital	5 492	5 624	5 546	5 492	5 624	5 546	5 492	5 624	5 546
Term subordinated loan capital	23 573	22 860	21 200	23 573	22 860	21 200	23 573	22 860	21 200
Deduction of holdings of Tier 2 instruments in DNB Livsforsikring and DNB Forsikring							(5 750)	(5 750)	(5 550)
Non-eligible Tier 2 capital, DNB Group ¹⁾							(1 707)	(1 516)	
Tier 2 capital	29 065	28 484	26 746	29 065	28 484	26 746	21 608	21 218	21 196
Total eligible capital	191 751	191 385	175 070	208 159	207 481	187 322	204 719	204 991	189 936
Total eligible capital incl. 50 per cent of profit for the period	195 230	193 163	178 353	212 279	209 469	191 950	209 144	206 950	194 529
Risk-weighted volume, transitional rules	839 637	784 738	799 143	1 060 913	1 051 578	1 059 481	1 087 122	1 077 792	1 068 585
Minimum capital requirement	67 171	62 779	63 931	84 873	84 126	84 758	86 970	86 223	85 487
Common equity Tier 1 capital ratio, transitional rules (%)	17.9	19.0	17.6	15.8	15.7	14.5	15.8	15.8	15.2
Tier 1 capital ratio, transitional rules (%)	19.8	21.0	19.0	17.3	17.2	15.6	17.3	17.2	16.2
Capital ratio, transitional rules (%)	23.3	24.6	22.3	20.0	19.9	18.1	19.2	19.2	18.2
Common equity Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	17.5	18.8	17.1	15.4	15.5	14.1	15.4	15.6	14.7
Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	19.4	20.8	18.6	16.9	17.0	15.2	16.8	17.1	15.8
Capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	22.8	24.4	21.9	19.6	19.7	17.7	18.8	19.0	17.8

1) Tier 1 and Tier 2 capital in DNB Bank ASA not included in consolidated own funds, in accordance with Articles 85–88 of the CRR.

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 receive 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. As from the first quarter of 2017, the risk weight of 250 per cent for significant investments in financial sector entities also applies to the calculation according to the transitional rules (Basel I).

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.

Chapter 2 - Segmental reporting

Financial performance

Personal customers

Small and medium-sized enterprises

Large corporates and international customers

Trading

Other operations/eliminations

Traditional pension products

Main subsidiaries and product units

2.1.1 Development - reporting segments

Changes in net interest income

<i>Amounts in NOK million</i>	2Q17	Change 1Q17-2Q17	Change 2Q16-2Q17
Net interest income	9 031	510	487
Personal customers	3 306	192	85
Small and medium-sized enterprises	2 121	85	188
Large corporates and international customers	3 330	230	100
Trading	5	(15)	3
Other	269	18	112

Changes in net other operating income

<i>Amounts in NOK million</i>	2Q17	Change 1Q17-2Q17	Change 2Q16-2Q17
Net other operating income	3 982	583	(970)
Personal customers	1 392	200	5
Small and medium-sized enterprises	515	(42)	(6)
Large corporates and international customers	1 524	75	(87)
Trading	448	(281)	(239)
Traditional pension products	536	182	221
Other	(433)	450	(865)

Changes in operating expenses

<i>Amounts in NOK million</i>	2Q17	Change 1Q17-2Q17	Change 2Q16-2Q17
Operating expenses	(5 615)	(174)	(230)
Personal customers	(2 111)	(9)	(30)
Small and medium-sized enterprises	(1 053)	110	(29)
Large corporates and international customers	(2 027)	(120)	(224)
Trading	(135)	(6)	(4)
Traditional pension products	(89)	6	29
Other	(199)	(156)	28

Changes in impairment of loans and guarantees

<i>Amounts in NOK million</i>	2Q17	Change 1Q17-2Q17	Change 2Q16-2Q17
Impairment of loans and guarantees	(597)	(35)	1 724
Personal customers	(100)	(210)	(11)
Small and medium-sized enterprises	(127)	(137)	81
Large corporates and international customers	(362)	334	1 665
Other	(7)	(22)	(11)

2.1.2 Extracts from income statement

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products ¹⁾		Other operations/eliminations ²⁾		DNB Group	
<i>Amounts in NOK million</i>	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16
Net interest income	3 306	3 221	2 121	1 933	3 330	3 231	5	3			269	157	9 031	8 544
Net other operating income	1 392	1 387	515	521	1 524	1 611	448	688	536	315	(433)	432	3 982	4 952
Total income	4 698	4 607	2 636	2 454	4 854	4 841	454	690	536	315	(164)	588	13 014	13 496
Operating expenses	(2 111)	(2 081)	(1 053)	(1 025)	(2 027)	(1 803)	(135)	(131)	(89)	(118)	(199)	(227)	(5 615)	(5 385)
Pre-tax operating profit before impairment	2 587	2 526	1 582	1 429	2 827	3 038	319	560	447	197	(363)	361	7 399	8 111
Net gains on fixed and intangible assets				(1)	18	5						(24)	17	(20)
Impairment of loans and guarantees	(100)	(89)	(127)	(209)	(362)	(2 028)					(7)	4	(597)	(2 321)
Profit from repossessed operations			(17)	(12)	(4)	(5)					21	16		
Pre-tax operating profit	2 486	2 437	1 438	1 208	2 479	1 011	319	560	447	197	(350)	358	6 819	5 770
Tax expense	(622)	(609)	(359)	(302)	(694)	(273)	(73)	(140)	(14)	(31)	195	164	(1 568)	(1 190)
Profit from operations held for sale, after taxes											(14)	(10)	(14)	(10)
Profit for the period	1 865	1 828	1 078	906	1 785	738	246	420	432	166	(169)	512	5 237	4 569

1) For more information about Traditional pension products, see tables 2.7.1, 2.7.2 and 2.8.4.

2) For more information about other operations/eliminations, see table below.

2.1.3 Other operations/eliminations

Other operations/eliminations include IT and Operations, HR (Human Resources), Group Finance including Group Treasury, Group Risk Management, Corporate Communications, Vipps and Payments, 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

<i>Amounts in NOK million</i>	2Q17	2Q16
Unallocated interest income	26	64
Income from equity investments	48	8
Gains on fixed and intangible assets	(0)	(24)
Mark-to-market adjustments on financial instruments	(228)	(243)
Basis swaps	(60)	(388)
Profit from associated companies	23	1 148
Net gains on investment properties	5	2
Profit from repossessed operations	21	16
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(90)	(119)
Unallocated personnel expenses	(90)	(113)
Unallocated IT and Operations expenses	62	(34)
Other	(68)	40
Pre-tax operating profit	(350)	358

2.1.4 Main balance sheet items and key figures

Average balance sheet items

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products		Other operations/eliminations		DNB Group	
<i>Amounts in NOK billion</i>	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16
Loans to customers ^{1) 2)}	719.1	681.7	274.3	256.1	508.4	534.3	33.1	25.3	38.1	27.9	(31.7)	6.3	1 541.4	1 531.6
Deposits from customers ^{1) 2)}	399.1	398.8	205.2	173.5	391.9	378.5	91.8	132.7			(48.3)	(6.8)	1 039.6	1 076.8
Assets under management	82.4	74.9	86.3	69.4	202.9	180.6			203.1	203.6	24.9	18.8	599.7	547.2
Allocated capital ³⁾	39.4	40.2	26.1	26.7	86.1	83.1	7.2	7.4	20.7	19.4				

Key figures

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products		Other operations		DNB Group	
<i>Per cent</i>	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q16
Cost/income ratio ⁴⁾	44.9	45.2	40.0	41.8	41.8	37.2	29.7	18.9	16.6	37.5			43.1	39.9
Ratio of deposits to loans ^{2) 5)}	55.5	58.5	74.8	67.8	77.1	70.8							67.4	70.3
Return on allocated capital, annualised ³⁾	19.0	18.3	16.6	13.7	8.3	3.6	13.8	22.8	8.4	3.4			10.4	9.9

Balance sheet items

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products		Other operations/eliminations		DNB Group	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June	
<i>Amounts in NOK billion</i>	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Loans to customers	727.6	690.9	276.6	256.6	507.4	541.7	32.2	20.5	38.6	27.7	(30.7)	4.8	1 551.7	1 542.3
Deposits from customers	411.2	412.3	206.3	177.3	386.0	363.5	51.9	5.1			(46.5)	3.0	1 008.9	961.1

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 46.8 billion and deposits to NOK 37.9 billion.

2) Loans to customers include accrued interest, impairment and value adjustments. Correspondingly, deposits from customers include accrued interest and value adjustments.

3) Allocated capital for the segments is calculated based on the external capital adequacy requirement (Basel III/Solvency II) which must be met by the Group. The capital allocated in 2017 corresponds to a common equity Tier 1 capital ratio of 18.0 per cent compared to 17.2 per cent in 2016. 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.

2.1.5 Key figures - Norwegian and international units

Norwegian units

Per cent	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Share of group income	78.7	77.2	78.3	77.6	79.2	77.8	73.9	77.4	77.2
Cost/income ratio	43.5	47.0	40.9	40.9	39.4	42.8	24.1	39.4	43.7
Share of net group loans to customers	83.3	83.3	83.1	82.7	81.4	81.6	81.0	80.2	81.1
Non-performing and doubtful loans and guarantees relative to total loans	1.0	0.9	1.1	1.1	0.9	0.6	0.4	0.4	0.4
Provision ratio (per cent) ¹⁾	41.0	42.2	41.9	39.9	37.9	49.9	51.6	54.1	53.7
Individual impairment in relation to net loans, annualised	0.04	0.08	(0.31)	(0.37)	(0.33)	0.02	(0.14)	0.26	(0.15)

International units ²⁾

Per cent	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Share of group income	21.3	22.8	21.7	22.4	20.8	22.2	26.1	22.6	22.8
Cost/income ratio	41.8	41.1	42.5	39.7	41.7	38.3	39.3	40.2	39.7
Share of net group loans to customers	16.7	16.7	16.9	14.4	18.6	18.4	19.0	19.8	18.9
Non-performing and doubtful loans and guarantees relative to total loans	3.4	3.5	3.9	2.1	2.5	2.5	2.4	2.4	2.5
Provision ratio (per cent) ¹⁾	50.0	51.2	44.0	58.7	50.8	50.8	47.6	48.6	50.7
Individual impairment in relation to net loans, annualised	(0.57)	(1.11)	(0.87)	(0.69)	(0.80)	(0.85)	(0.75)	(0.66)	(0.46)

1) The provision ratio includes individual and collective impairment as a percentage of gross non-performing and gross doubtful loans and guarantees.

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 1 916 million at end-June 2017.

The figures are based on the financial accounts.

2.2.1 Personal customers - Financial performance

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income ¹⁾	3 306	3 114	3 117	3 176	3 221	3 290	3 496	3 445	3 421
Net other operating income	1 392	1 192	1 160	1 283	1 387	1 155	1 120	1 295	1 311
Total income	4 698	4 305	4 277	4 458	4 607	4 445	4 616	4 739	4 732
Operating expenses	(2 111)	(2 103)	(1 979)	(1 951)	(2 081)	(2 494)	(2 157)	(2 274)	(2 287)
Pre-tax operating profit before impairment	2 587	2 203	2 298	2 508	2 526	1 952	2 459	2 465	2 445
Net gains on fixed and intangible assets	(0)						0	(3)	3
Impairment losses on loans and guarantees ¹⁾	(100)	110	107	(80)	(89)	440	15	963	(84)
Pre-tax operating profit	2 486	2 313	2 406	2 428	2 437	2 392	2 474	3 425	2 363
Tax expense	(622)	(578)	(601)	(607)	(609)	(598)	(668)	(925)	(638)
Profit from operations held for sale, after taxes			0	0	(0)	(1)	(1)	2	(0)
Profit for the period	1 865	1 735	1 804	1 821	1 828	1 793	1 805	2 503	1 725
Average balance sheet items in NOK billion:									
Loans to customers ²⁾	719.1	708.3	705.9	694.7	681.7	675.1	695.7	697.2	689.0
Deposits from customers ²⁾	399.1	398.7	399.4	407.9	398.8	395.6	391.1	390.4	375.9
Assets under management	82.4	80.6	78.0	75.7	74.9	75.7	75.2	75.4	76.2
Allocated capital ³⁾	39.4	40.7	39.6	39.1	40.2	39.6	33.8	33.1	33.6
Key figures in per cent:									
Cost/income ratio	44.9	48.8	46.3	43.8	45.2	56.1	46.7	48.0	48.3
Ratio of deposits to loans	55.5	56.3	56.6	58.7	58.5	58.6	56.2	56.0	54.6
Return on allocated capital, annualised ³⁾	19.0	17.3	18.1	18.5	18.3	18.2	21.2	30.0	20.6

*) Loans to personal customers including loans transferred to DNB Livsforsikring

In November 2015, a portfolio of home mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring, and in November 2016, mortgages representing an additional NOK 5 billion were sold. Personal Banking Norway will continue to manage the portfolio on behalf of DNB Livsforsikring. See specification of the effects of the transfer on net interest income and loans to customers in the table below:

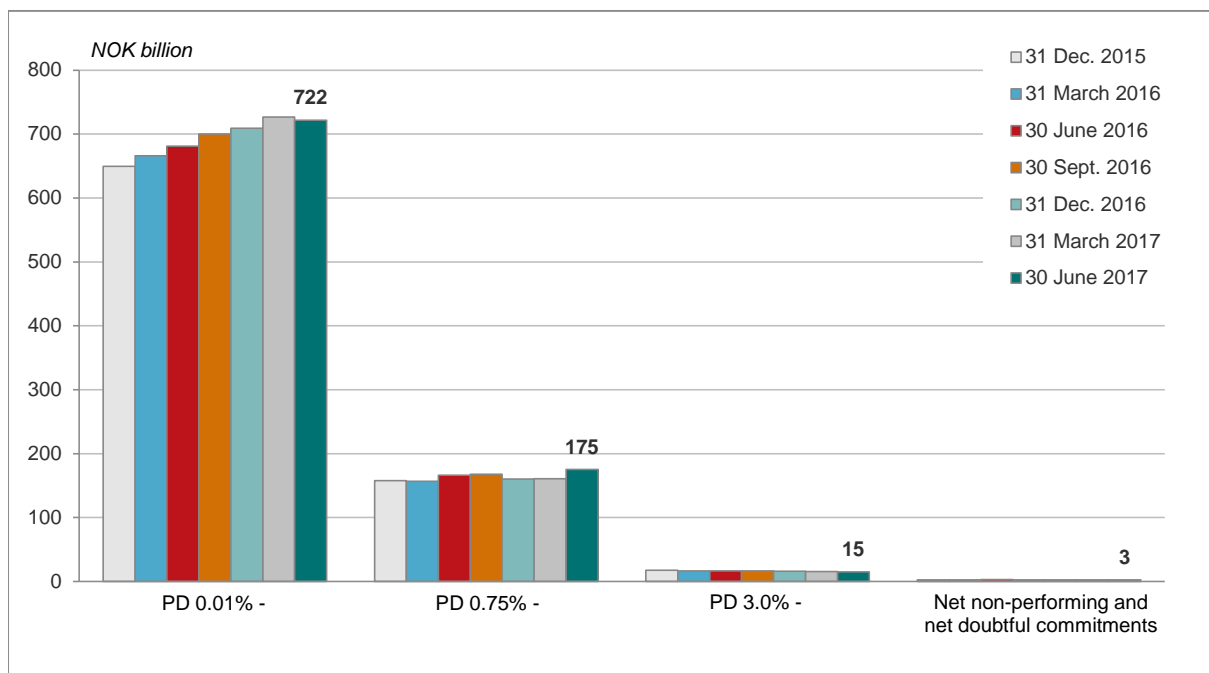
<i>Amounts in NOK billion</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Loans to customers ²⁾	719.1	708.3	705.9	694.7	681.7	675.1	695.7	697.2	689.0
Home mortgages transferred to DNB Livsforsikring - assets under management	21.1	21.8	19.6	18.0	18.5	19.1	8.0		
Loans to personal customers	740.2	730.1	725.5	712.7	700.3	694.1	703.7	697.2	689.0
Net interest income on the transferred portfolio (NOK million)	36	36	32	30	31	33	10		

1) Including collective impairment.

2) Loans to customers include accrued interest and impairment. Correspondingly, deposits from customers include accrued interest.

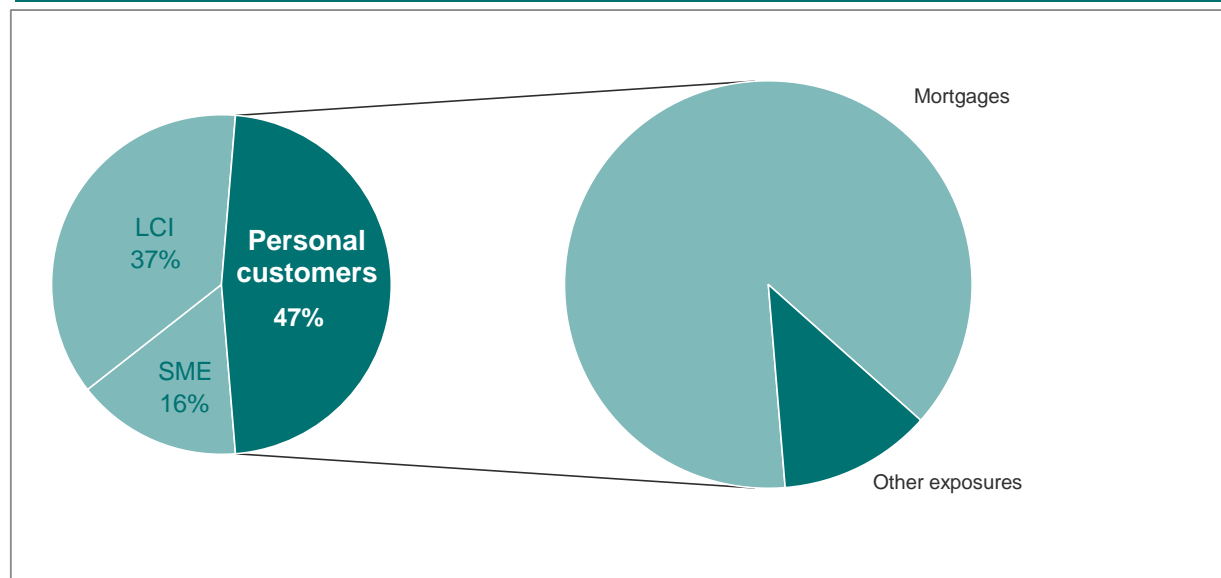
3) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

2.2.2 Personal customers - Risk classification of portfolio



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.2.3 Personal customers - Exposure at default according to sector as at 30 June 2017



2.2.4 Personal customers - Development in average volumes and interest rate spreads

	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Volumes (NOK billion):									
Loans to customers ^{1) 2)}	716	705	703	692	679	673	689	693	686
Deposits from customers ¹⁾	398	398	397	406	398	395	387	387	374
Spread income (NOK million):									
Lending spreads	3 204	2 999	2 828	2 981	3 073	3 039	3 394	3 508	3 573
Deposit spreads	257	332	431	345	328	411	236	102	(30)
Spreads in per cent:									
Lending spreads	1.80	1.73	1.60	1.71	1.82	1.81	1.95	2.01	2.09
Deposit spreads	0.26	0.34	0.43	0.34	0.33	0.42	0.24	0.10	(0.03)

1) Nominal values, excluding impaired loans.

2) In November 2015, a portfolio of home mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring, and in November 2016, mortgages representing additional NOK 5 billion were sold. As of the same date, the portfolios was transferred from the Personal customers segment to the Traditional pension products segment. Personal Banking Norway will continue to manage the portfolio on behalf of DNB Livsforsikring.

2.2.5 Personal customers - Distribution of loan to value

Loan to value per risk grade as at 30 June 2017

	Risk grade			Total	Share of loan to value in per cent ¹⁾
	Low	Moderate	High		
Loan to value in NOK billion ¹⁾					
0-40	114	20	1	136	18.1 %
40-60	211	48	2	261	34.8 %
60-75	180	46	3	229	30.5 %
75-85	66	24	2	92	12.2 %
>85	23	9	1	32	4.3 %
Total exposure at default	594	147	9	750	100.0 %

* Development in loan to value

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Loan to value in per cent ^{1) 2)}									
0-40	18.1 %	17.7 %	16.8 %	16.2 %	16.3 %	14.9 %	15.1 %	16.2 %	15.8 %
40-60	34.8 %	33.5 %	31.4 %	30.5 %	30.8 %	28.1 %	28.3 %	30.6 %	29.9 %
60-75	30.5 %	32.1 %	33.6 %	34.0 %	33.8 %	34.2 %	34.5 %	33.2 %	33.5 %
75-85	12.2 %	12.1 %	12.8 %	13.6 %	13.5 %	15.1 %	14.8 %	13.2 %	13.8 %
>85	4.3 %	4.6 %	5.5 %	5.8 %	5.6 %	7.8 %	7.3 %	6.7 %	7.0 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Average loan to value	57.7 %	58.1 %	59.2 %	59.9 %	59.7 %	61.7 %	61.3 %	60.0 %	60.8 %
Total exposure at default (NOK billion)	750	735	726	720	707	691	685	703	693
Total drawn amount (NOK billion)	680	666	659	655	644	631	627	646	638

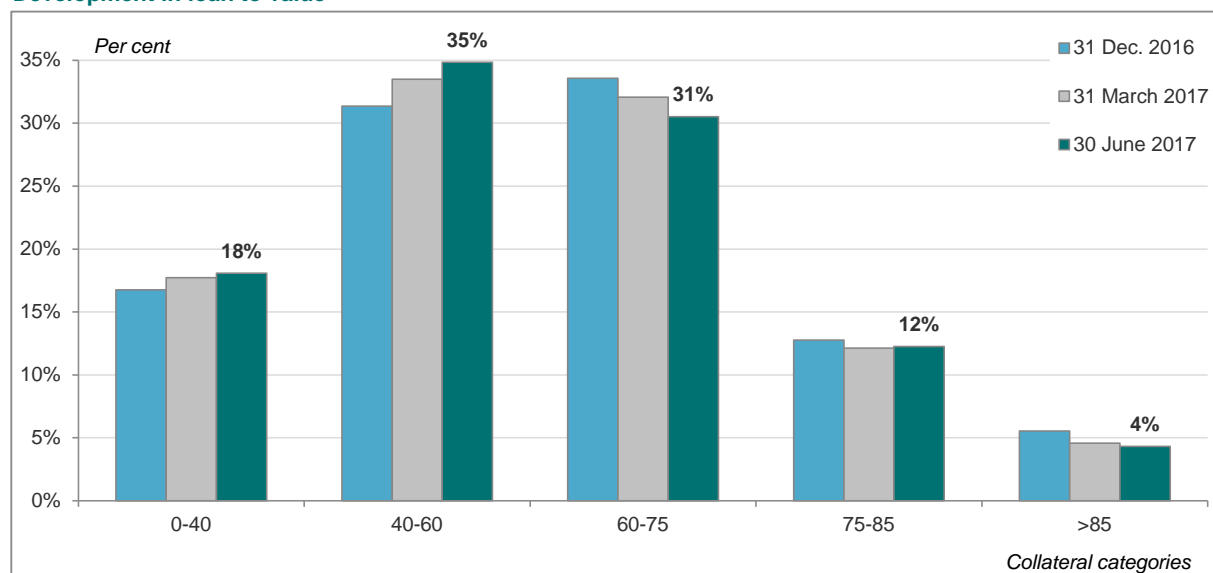
1) The total exposure (EAD) is included in the actual collateral category.

2) The sale of a portfolio of home mortgages amounting to approximately NOK 20 billion from DNB Boligkreditt to DNB Livsforsikring in November 2015 and additional NOK 5 billions in November 2016 affected the relative distribution of the remaining loans, as the transferred loans were within low risk grades and had a low loan to value. More than 90 per cent of the portfolio transferred had a loan to value at end-December 2015 in the interval 0-60 per cent.

Distribution of home mortgages, recalibrated, in the personal customers segment within actual collateral categories. The volumes represent the IRB-approved mortgage portfolio and are the expected outstanding amount in the event of default.

2.2.5 Personal customers - Distribution of loan to value (continued)

Development in loan to value



2.2.6 DNB Boligkreditt - Average mortgage lending - volumes and spreads

Amounts in NOK billion	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Average loans to customers	611	604	600	590	577	567	572	573	564
Portfolio transferred to DNB Livsforsikring ¹⁾	21	22	20	18	19	19	8		
Average loans to customers including transferred loans	632	626	620	608	595	586	580	573	564
Spreads measured against actual funding costs (per cent)	0.81	0.66	0.53	0.66	0.78	0.82	0.95	1.08	1.10

¹⁾ In November 2015, a portfolio of home mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring, and in November 2016, mortgages representing additional NOK 5 billion were sold. As of the same date, the portfolio was transferred from the Personal customers segment to the Traditional pension products segment. Personal Banking Norway will continue to manage the portfolio on behalf of DNB Livsforsikring.

2.2.7 DNB Eiendom - Residential real estate broking in Norway

	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Number of properties sold	7 077	5 780	5 325	5 942	7 311	5 400	5 035	5 877	7 529
Fees on real estate broking (NOK million)	344	269	242	282	348	248	236	279	354
Market shares (per cent) ¹⁾	19.9	19.5	19.2	18.4	18.8	19.9	19.3	19.2	19.7

¹⁾ Management's estimates.

2.3.1 Small and medium-sized enterprises (SME) - Financial performance

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income	2 121	2 035	2 120	1 952	1 933	1 937	1 610	1 551	1 515
Net other operating income	515	557	572	467	521	470	449	396	422
Total income	2 636	2 593	2 692	2 419	2 454	2 407	2 059	1 947	1 937
Operating expenses	(1 053)	(1 164)	(1 095)	(996)	(1 025)	(1 014)	(807)	(740)	(773)
Pre-tax operating profit before impairment	1 582	1 429	1 597	1 423	1 429	1 393	1 252	1 207	1 164
Net gains on fixed and intangible assets	(0)	(0)	(0)	1	(1)	3	(0)	(1)	(0)
Impairment losses on loans and guarantees ¹⁾	(127)	10	(281)	(339)	(209)	(259)	(360)	(138)	(280)
Profit from repossessed operations ²⁾	(17)	(10)	40	(6)	(12)	(17)	35	(21)	(11)
Pre-tax operating profit	1 438	1 429	1 355	1 079	1 208	1 121	927	1 047	872
Tax expense	(359)	(357)	(339)	(270)	(302)	(280)	(250)	(283)	(235)
Profit for the period	1 078	1 072	1 016	809	906	841	677	764	637
Average balance sheet items in NOK billion:									
Loans to customers ³⁾	274.3	268.5	263.9	259.9	256.1	252.7	220.3	217.8	214.2
Deposits from customers ³⁾	205.2	197.9	185.7	179.5	173.5	170.3	172.8	175.4	170.4
Assets under management	86.3	82.2	77.0	72.4	69.4	67.7	64.1	61.6	60.7
Allocated capital ⁴⁾	26.1	26.5	26.8	26.6	26.7	27.3	21.0	21.6	21.0
Key figures in per cent:									
Cost/income ratio	40.0	44.9	40.7	41.2	41.8	42.1	39.2	38.0	39.9
Ratio of deposits to loans	74.8	73.7	70.3	69.1	67.8	67.4	78.5	80.5	79.5
Return on allocated capital, annualised ⁴⁾	16.6	16.4	15.1	12.1	13.7	12.4	12.8	14.0	12.2

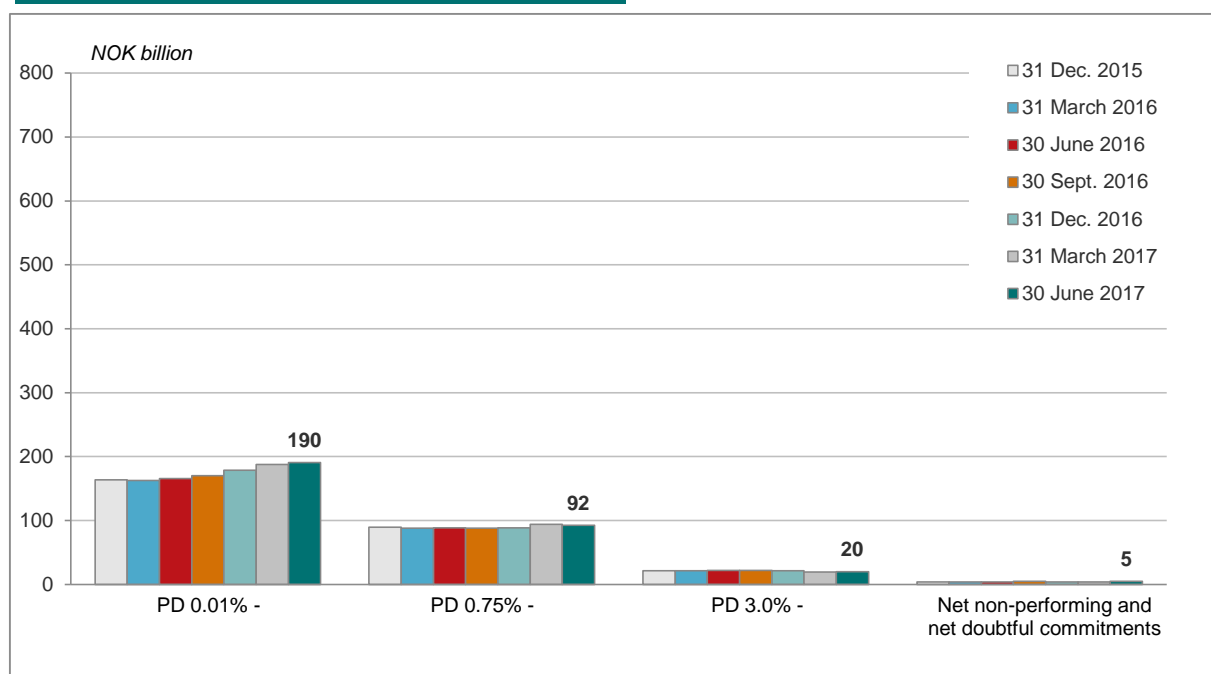
1) Including collective impairment.

2) Profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" under the various segments.

3) Loans to customers include accrued interest and impairment. Correspondingly, deposits from customers include accrued interest.

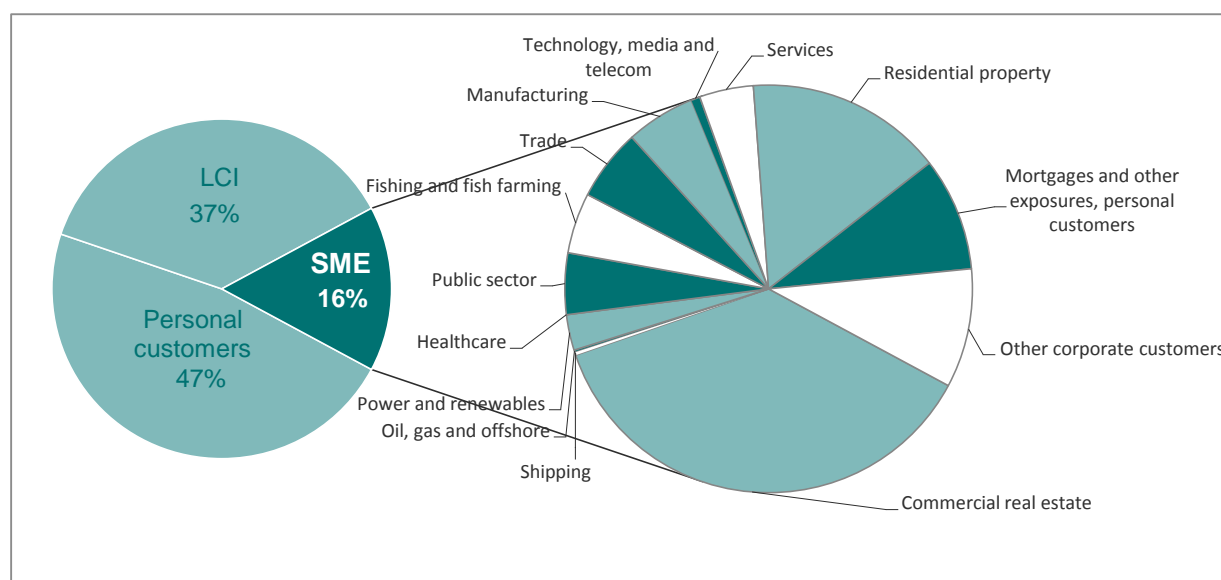
4) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

2.3.2 SME - Risk classification of portfolio



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.3.3 SME - Exposure at default according to sector as at 30 June 2017



2.3.4 SME - Development in average volumes and interest rate spreads

	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Volumes (NOK billion):									
Loans to customers ¹⁾	271	265	260	257	253	244	218	214	212
Deposits from customers ¹⁾	205	198	185	179	173	170	172	175	170
Spread income (NOK million):									
Lending spreads	1 769	1 681	1 672	1 711	1 651	1 578	1 291	1 303	1 295
Deposit spreads	177	207	205	173	166	195	168	147	77
Spreads in per cent:									
Lending spreads	2.62	2.57	2.56	2.65	2.62	2.60	2.35	2.41	2.45
Deposit spreads	0.35	0.42	0.44	0.38	0.38	0.46	0.39	0.33	0.18

¹⁾ Nominal values, excluding impaired loans.

2.4.1 Large corporates and international customers (LCI) - Financial performance

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income	3 330	3 100	3 297	3 273	3 231	3 382	3 929	3 908	3 749
Net other operating income	1 524	1 449	1 488	1 643	1 611	1 275	1 358	1 429	1 762
Total income	4 854	4 550	4 785	4 916	4 841	4 658	5 287	5 337	5 511
Operating expenses	(2 027)	(1 907)	(1 823)	(1 781)	(1 803)	(1 869)	(2 202)	(2 043)	(1 892)
Pre-tax operating profit before impairment	2 827	2 642	2 962	3 135	3 038	2 789	3 086	3 295	3 619
Net gains on fixed and intangible assets	18	6	(4)	18	5	4	5	1	42
Impairment losses on loans and guarantees ¹⁾	(362)	(697)	(1 572)	(1 757)	(2 028)	(1 358)	(1 079)	(433)	(284)
Profit from repossessed operations ²⁾	(4)	(0)	7	4	(5)	1	(6)	1	(5)
Pre-tax operating profit	2 479	1 951	1 393	1 400	1 011	1 436	2 006	2 863	3 371
Tax expense	(694)	(546)	(376)	(378)	(273)	(388)	(582)	(830)	(978)
Profit from operations held for sale, after taxes	(0)	(0)	(0)	(0)	(0)	3			
Profit for the period	1 785	1 405	1 017	1 022	738	1 052	1 424	2 033	2 394
Average balance sheet items in NOK billion:									
Loans to customers ³⁾	508.4	497.0	511.3	533.1	534.3	543.6	579.3	582.7	557.9
Deposits from customers ³⁾	391.9	393.2	367.0	374.4	378.5	383.2	403.5	408.9	379.1
Assets under management	202.9	189.1	180.9	181.8	180.6	205.0	222.7	218.7	222.5
Allocated capital ⁴⁾	86.1	83.1	84.8	87.1	83.1	84.7	70.9	70.4	69.8
Key figures in per cent:									
Cost/income ratio	41.8	41.9	38.1	36.2	37.2	40.1	41.6	38.3	34.3
Ratio of deposits to loans	77.1	79.1	71.8	70.2	70.8	70.5	69.6	70.2	67.9
Return on allocated capital, annualised ⁴⁾	8.3	6.9	4.8	4.7	3.6	5.0	8.0	11.5	13.8

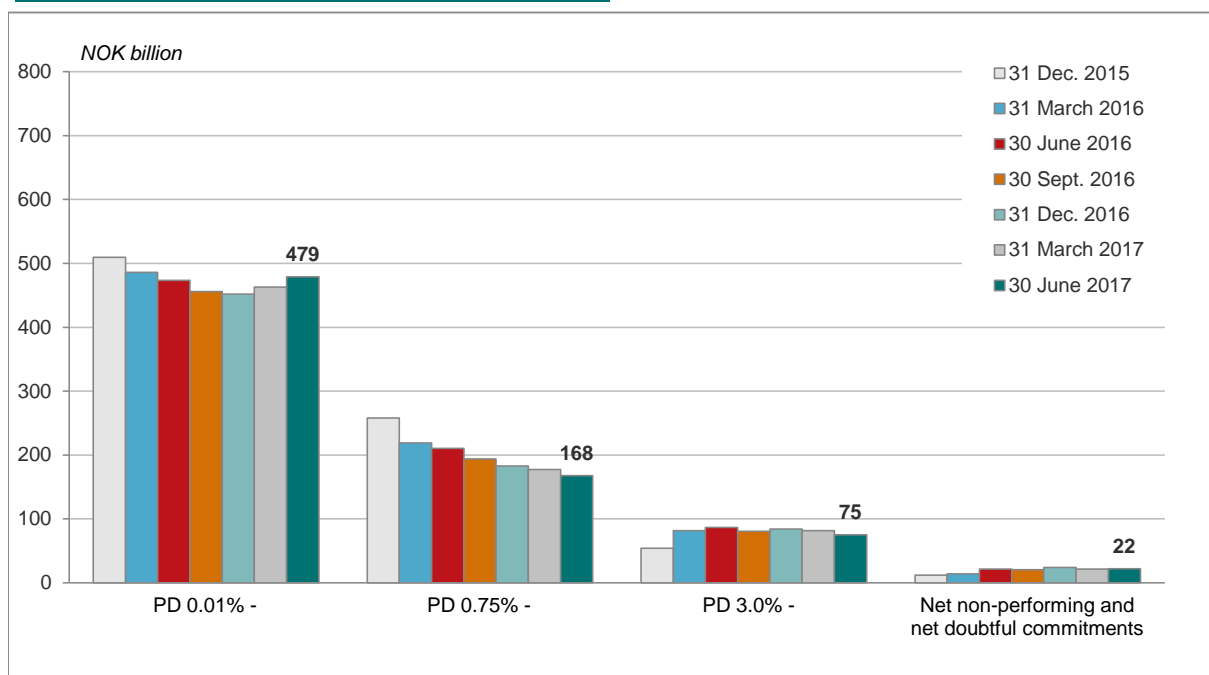
1) Including collective impairment.

2) Profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" under the various segments.

3) Loans to customers include accrued interest and impairment. Correspondingly, deposits from customers include accrued interest.

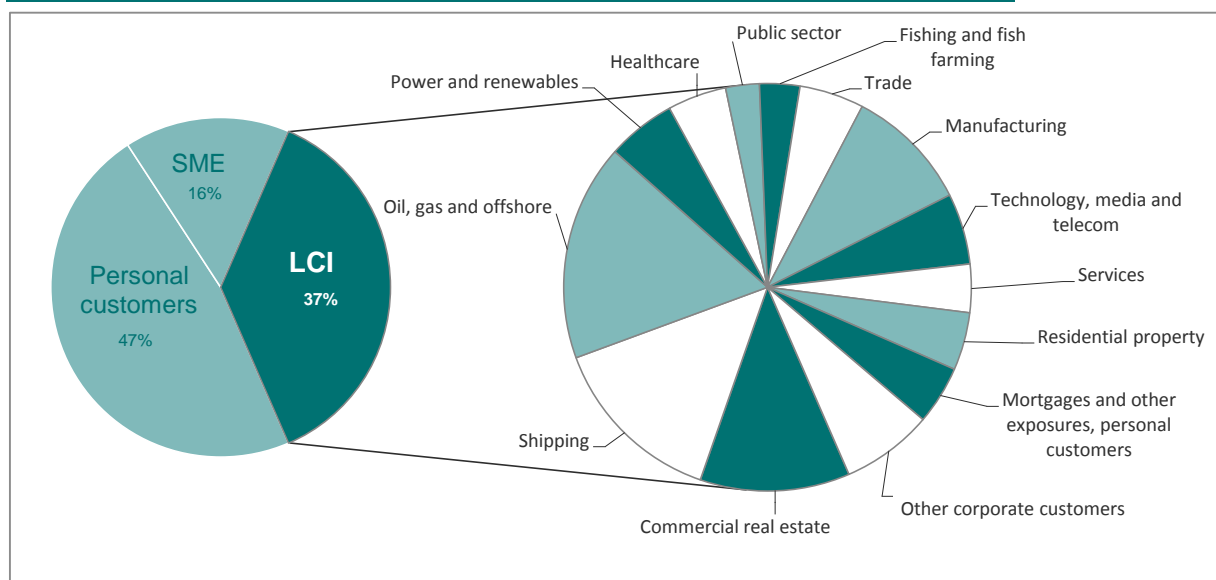
4) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

2.4.2 LCI - Risk classification of portfolio



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.4.3 LCI - Exposure at default according to sector as at 30 June 2017



2.4.4 LCI - Average volumes

Amounts in NOK billion	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Loans to customers ¹⁾									
Nordic Corporates Division	159	150	149	153	153	150	154	157	156
International Corporates Division	98	94	97	104	101	100	103	104	95
Energy Division	53	54	61	65	68	69	72	73	72
Shipping, Offshore and Logistics Division	123	127	131	135	142	150	157	158	151
Baltics	47	45	46	47	47	47	46	45	43
Other ²⁾	29	27	28	29	27	27	48	45	42
Total Large corporates and international customers	508	497	511	533	534	544	579	583	558
Guarantees									
Nordic Corporates Division	22	19	15	16	17	17	17	17	15
International Corporates Division	14	14	14	14	14	13	14	13	13
Energy Division	23	24	23	22	23	26	27	27	29
Shipping, Offshore and Logistics Division	14	14	16	14	13	12	13	12	12
Baltics	1	1	4	1	1	1	1	2	2
Other ²⁾	(1)	3	10	7	7	9	9	7	8
Total Large corporates and international customers	74	74	82	75	75	78	81	78	78
Total loans and guarantees									
Nordic Corporates Division	182	168	164	169	170	167	171	173	171
International Corporates Division	112	108	111	118	114	114	116	117	108
Energy Division	76	78	84	87	91	94	99	101	101
Shipping, Offshore and Logistics Division	137	142	146	148	155	163	169	170	163
Baltics	48	46	50	48	48	48	48	47	43
Other ²⁾	27	30	38	36	34	36	57	52	50
Total Large corporates and international customers	582	571	593	608	609	622	661	661	636
Deposits from customers ³⁾									
Nordic Corporates Division	146	155	133	136	136	134	142	138	127
International Corporates Division	52	50	51	54	55	52	62	63	59
Energy Division	69	69	65	60	63	66	65	73	71
Shipping, Offshore and Logistics Division	71	68	68	70	77	81	86	89	82
Baltics	38	36	36	35	41	36	36	33	31
Other ²⁾	16	15	14	19	7	13	12	12	10
Total Large corporates and international customers	392	393	367	374	379	383	403	409	379
Commercial paper issues during the period	25	20	20	17	23	20	23	17	18
Syndicated loans during the period	3	1	2	9	2	4	1		4
Bond issues during the period	21	23	21	18	20	16	15	12	17

1) Loans to customers include accrued interest and impairment losses. Amounts due from credit institutions are not included.

2) Including Poland.

3) Deposits from customers include accrued interest. Amounts due to credit institutions are not included.

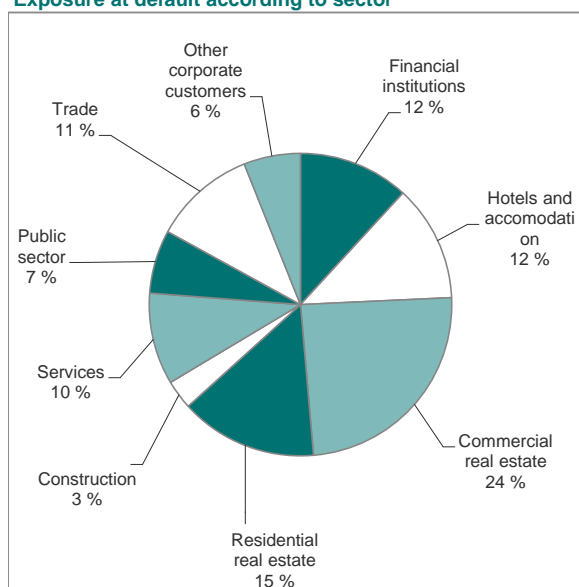
2.4.5 LCI - Development in average volumes and interest rate spreads

	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Volumes (NOK billion):									
Loans to customers ¹⁾	497	482	497	520	523	539	571	573	552
Deposits from customers ¹⁾	392	393	367	374	378	383	403	408	379
Spread income (NOK million):									
Lending spreads	2 679	2 591	2 690	2 815	2 793	2 893	3 159	3 149	2 993
Deposit spreads	39	(41)	(42)	(67)	(77)	(40)	(118)	(64)	(93)
Spreads in per cent:									
Lending spreads	2.16	2.18	2.15	2.15	2.15	2.16	2.19	2.18	2.17
Deposit spreads	0.04	(0.04)	(0.05)	(0.07)	(0.08)	(0.04)	(0.12)	(0.06)	(0.10)

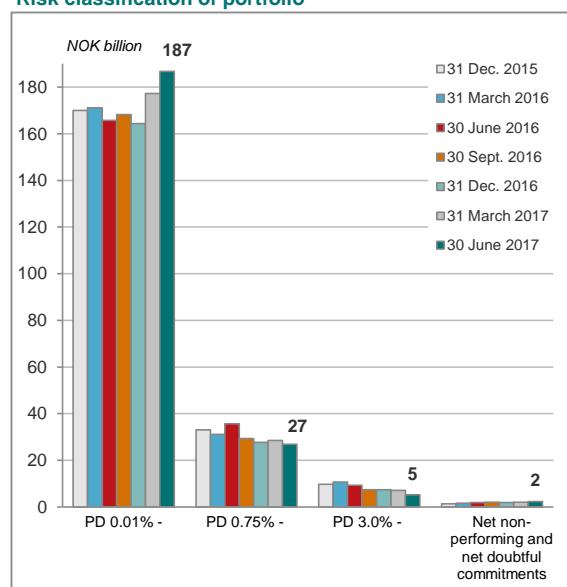
1) Nominal values, excluding impaired loans.

2.4.6 LCI - Nordic Corporates Division

Exposure at default according to sector

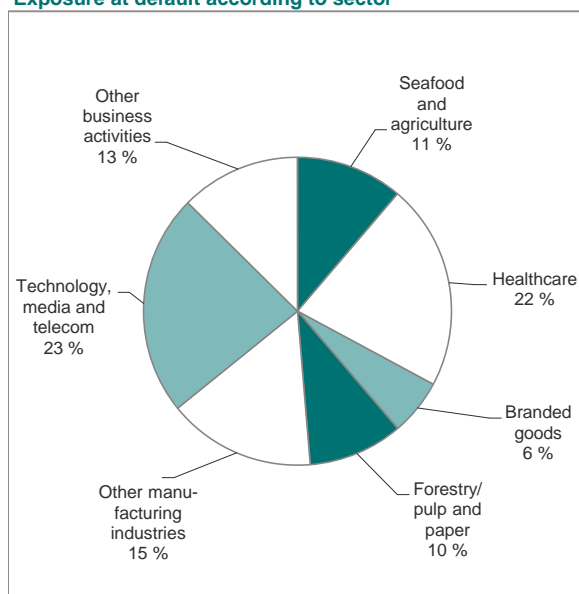


Risk classification of portfolio ¹⁾

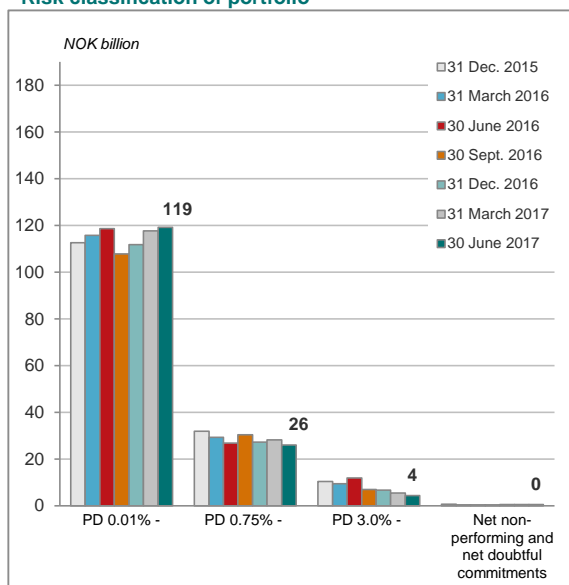


2.4.7 LCI - International Corporates Division

Exposure at default according to sector



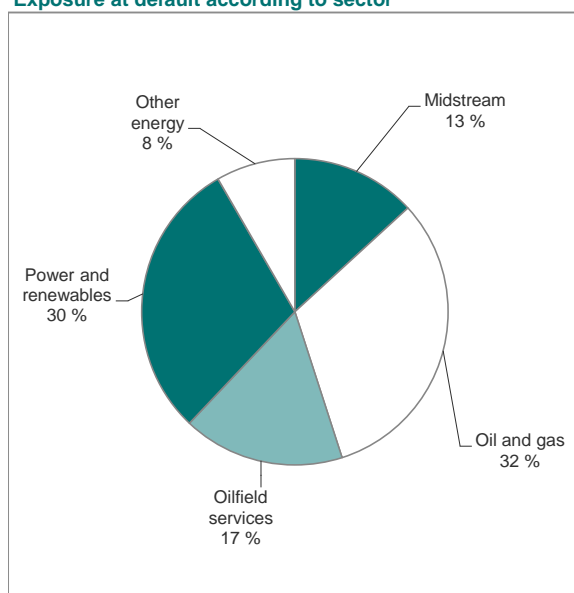
Risk classification of portfolio ¹⁾



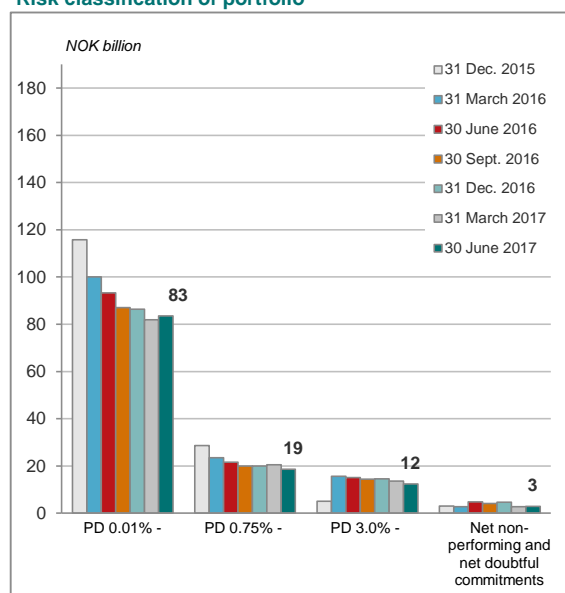
1) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.4.8 LCI - Energy Division

Exposure at default according to sector

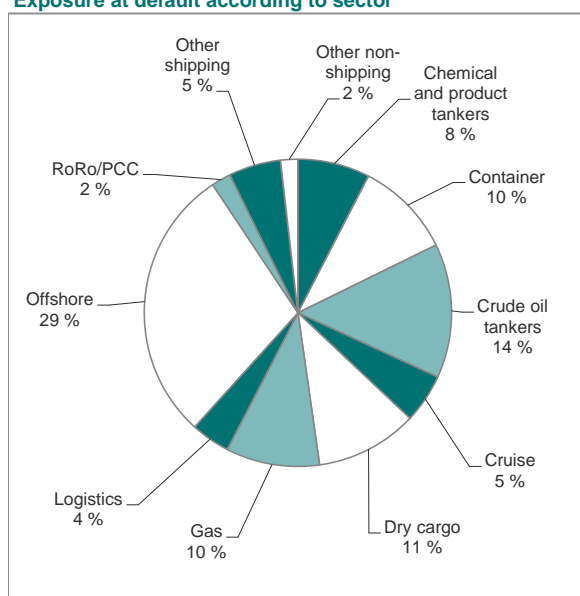


Risk classification of portfolio ¹⁾

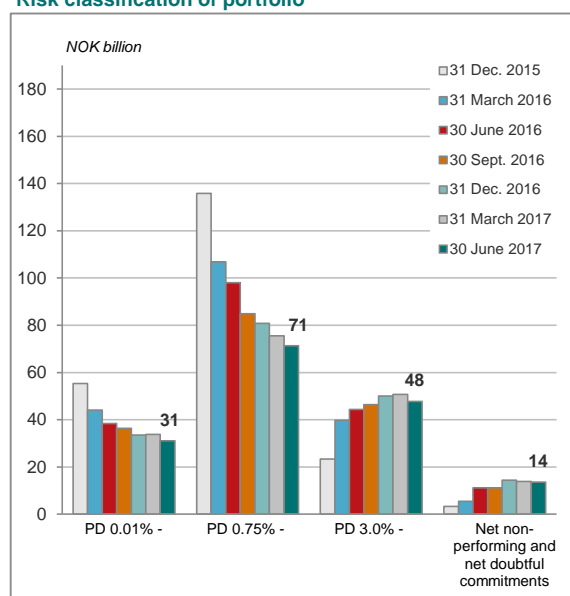


2.4.9 LCI - Shipping, Offshore and Logistics Division

Exposure at default according to sector



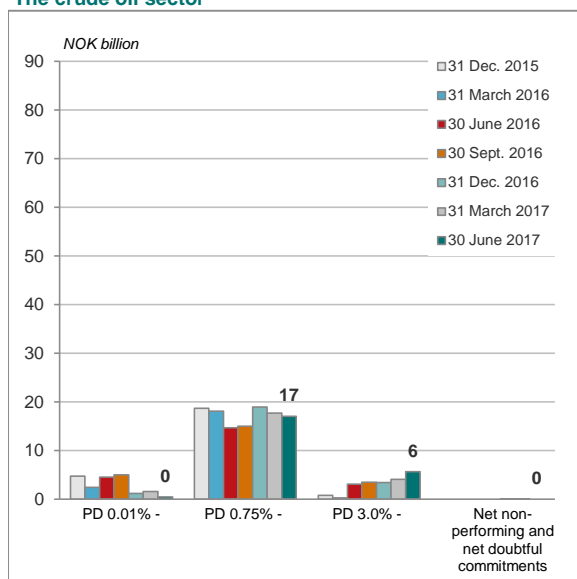
Risk classification of portfolio ¹⁾



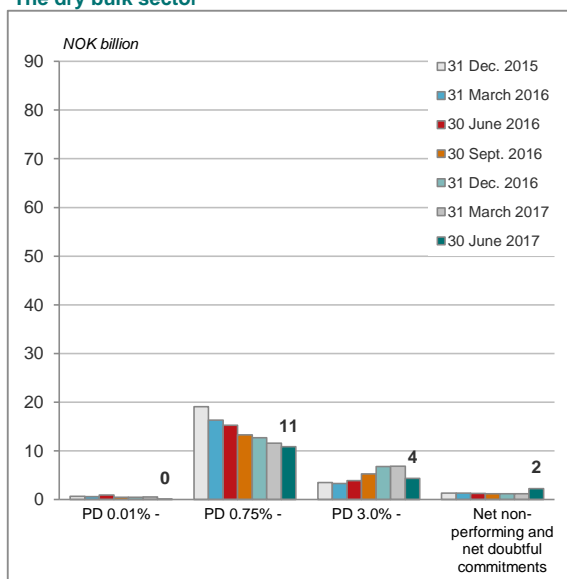
1) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.4.10 LCI - Risk classification of portfolio according to sub-segments in the Shipping, Offshore and Logistics Division (SOL)

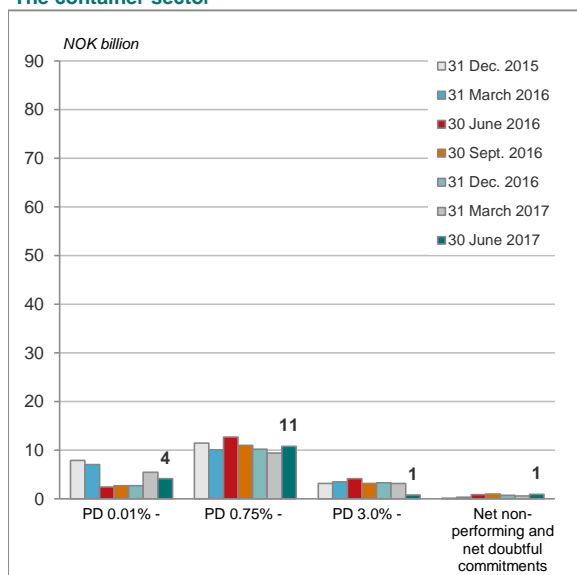
The crude oil sector



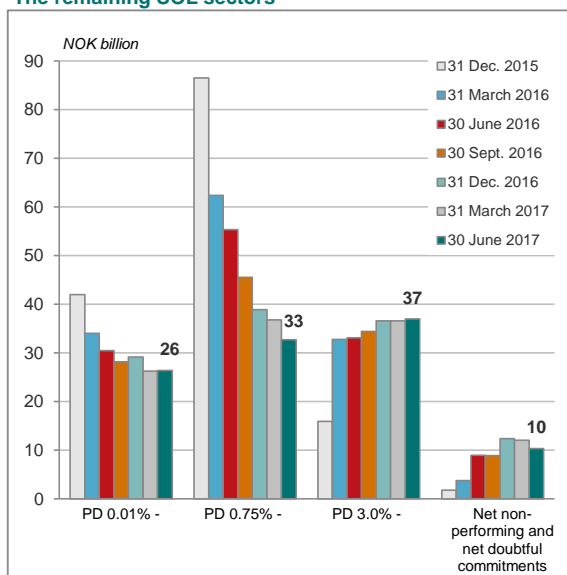
The dry bulk sector



The container sector



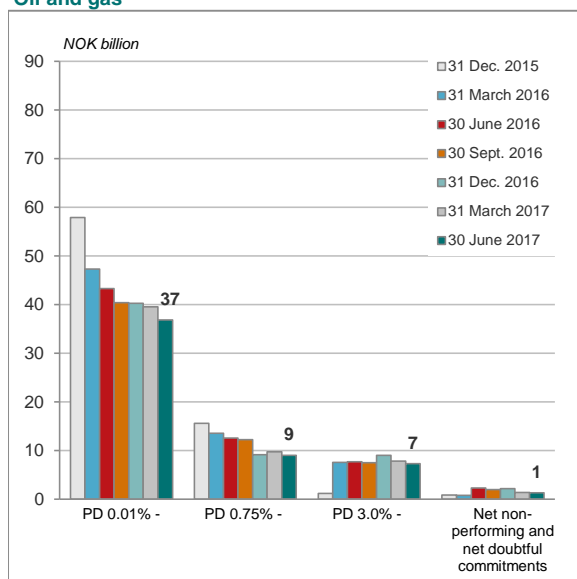
The remaining SOL sectors



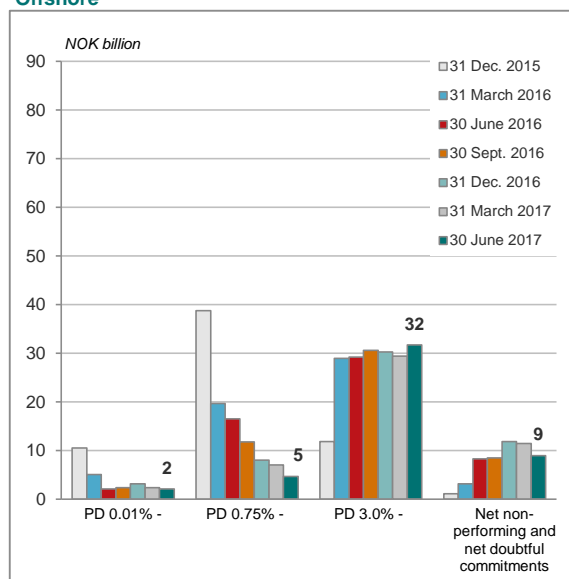
Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.4.11 LCI - Risk classification of portfolio according to sub-segments in the oil related segments

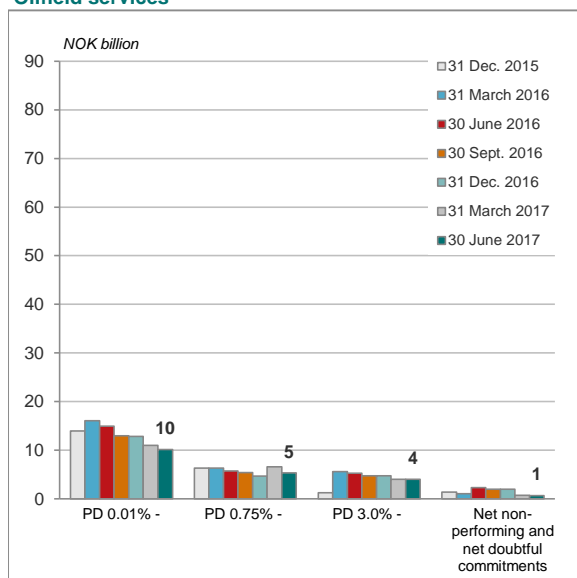
Oil and gas



Offshore



Oilfield services



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.5.1 Trading - Financial performance

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income	5	20	1	19	3	6	3	(106)	88
Net other operating income	448	729	817	1 134	688	337	796	(342)	581
Total income	454	749	818	1 153	690	343	799	(448)	669
Operating expenses	(135)	(129)	(159)	(127)	(131)	(131)	(97)	(155)	(155)
Pre-tax operating profit before impairment	319	621	659	1 025	560	211	702	(604)	514
Net gains on fixed and intangible assets									
Impairment losses on loans and guarantees					(0)	0			
Pre-tax operating profit	319	621	659	1 025	560	211	702	(604)	514
Tax expense	(73)	(143)	(165)	(256)	(140)	(53)	(183)	157	(134)
Profit for the period	246	478	494	769	420	159	520	(447)	380
Average balance sheet items in NOK billion:									
Allocated capital ¹⁾	7.2	8.0	7.2	7.2	7.4	7.2	7.3	7.0	7.1
Key figures in per cent:									
Cost/income ratio	29.7	17.2	19.5	11.0	18.9	38.3	12.1	(34.7)	23.2
Return on allocated capital, annualised ¹⁾	13.8	24.4	27.2	42.7	22.8	8.9	28.4	(25.4)	21.4

¹⁾ Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

2.6.1 Other operations/eliminations - Financial performance

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income	269	251	(163)	62	157	98	24	183	(45)
Net other operating income ^{1) 2)}	(433)	(883)	(87)	(879)	432	1 365	624	1 411	(374)
Total income	(164)	(632)	(250)	(817)	588	1 463	648	1 594	(419)
Operating expenses ³⁾	(199)	(43)	(41)	(96)	(227)	(74)	1 711	19	(288)
Pre-tax operating profit before impairment	(363)	(674)	(291)	(913)	361	1 389	2 359	1 613	(706)
Net gains on fixed and intangible assets		0	(8)	1	(24)	(13)	(13)	(1)	1
Impairment losses on loans and guarantees ⁴⁾	(7)	15	(6)	(1)	4	3	3	1	(18)
Profit from repossessed operations ⁵⁾	21	10	(47)	1	16	15	(30)	20	17
Pre-tax operating profit	(350)	(650)	(352)	(911)	358	1 394	2 319	1 633	(707)
Tax expense ¹⁾	195	292	1 143	388	164	(204)	(100)	(342)	339
Profit from operations held for sale, after taxes	(14)	(17)	26	1	(10)	(15)	29	(17)	(17)
Profit for the period	(169)	(375)	817	(523)	512	1 175	2 248	1 274	(385)

1) Changes in the regulations of annual accounts for insurance companies due to the introduction of Solvency II as of 1 of January 2016 has necessitated an adjustment of income and taxes in comparable figures for 2015. See note 1 Basis for preparation in the first quarter report for 2016. The changes are reported as part of "Other operations/eliminations" since the effects are immaterial. Operations affected by the changes are reported in the business areas.

2) 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.

3) In the fourth quarter of 2015 DNB decided to change the Groups pension scheme from a defined-benefit to a defined contribution scheme with effect from 31 December 2015. The change includes the majority of its employees in Norway who were members of the Groups closed defined-benefit scheme. The change resulted in an unallocated non-recurring effect on pension expenses of NOK 1 778 million.

4) Including collective impairment.

5) Profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" under the relevant segments.

2.7.1 Traditional pension products - Financial performance

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income									
Net other operating income ¹⁾	536	355	280	280	315	339	(522)	284	518
Total income	536	355	280	280	315	339	(522)	284	518
Operating expenses	(89)	(95)	(96)	(92)	(118)	(129)	(74)	(126)	(131)
Pre-tax operating profit ²⁾	447	259	184	188	197	210	(596)	158	387
Tax expense	(14)	(30)	49	(7)	(31)	(7)	705	84	(56)
Profit for the period	432	229	233	181	166	204	109	242	330
Average balance sheet items in NOK billion:									
Loans to customers ²⁾	38.1	38.6	32.5	27.4	27.9	28.8	13.0	4.2	3.7
Assets under management	203.1	202.4	202.8	203.7	203.6	202.8	200.3	199.2	200.5
Allocated capital ³⁾	20.7	20.4	19.9	19.6	19.4	18.6	18.2	17.9	17.4
Key figures in per cent:									
Cost/income ratio	16.6	26.9	34.3	32.9	37.5	38.1	(14.3)	44.4	25.4
Return on allocated capital, annualised ³⁾	8.4	4.6	4.7	3.7	3.4	4.4	2.4	5.4	7.6
*) of which:									
Upfront pricing of risk and guaranteed rate of return	34	38	56	68	81	83	137	131	133
Owner's share of administration result	57	57	79	40	39	83	78	61	29
Owner's share of risk result	18	27	101	50	(2)	29	82	92	107
Owner's share of interest result ^{1) 4)}	(11)	19	(168)	(66)	(65)	(67)	(1 001)	(107)	(71)
Return on corporate portfolio	349	118	116	96	145	82	107	(20)	189

1) The transfer of the risk equalisation fund to the policyholders' premium reserve reduced results by NOK 980 million in the fourth quarter of 2015.

2) In November 2015, a portfolio of home mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring, and in November 2016, mortgages representing an additional NOK 5 billion were sold. In the fourth quarter of 2016, commercial mortgages amounting to NOK 2.6 billion and 4.5 billion, respectively, were sold from DNB Næringskreditt and DNB Bank to DNB Livsforsikring.

3) Allocated capital corresponds to the segment's share of the recorded equity in DNB Livsforsikring. Capital is allocated to the various product areas based on estimated capital requirements according to Solvency II.

4) Including the owner's share of provisions for higher life expectancy.

2.7.2 Traditional pension products - Provisions for higher life expectancy

As Norwegian life insurance companies offer life-long pension payments, higher life expectancy in the population is one of many risk factors.

Amounts in NOK million	Accumulated balance 30 June 2017	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15
Paid-up policies	9 504	(248)	(14)	(251)	(363)	(481)	(40)	(2 173)	49
Defined benefit	1 505	6	(14)	(182)	(40)	(69)	(27)	(332)	113
Total group pension ^{1) *) **)}	11 009	(242)	(28)	(433)	(403)	(550)	(67)	(2 505)	162
*) Of which attributable to the owner									
	2 298	(54)	(6)	(281)	(152)	(149)	(67)	(440)	(65)
***) Of which transferred from risk equalisation fund									
								(980)	

1) In consequence of the upward adjustment of life expectancy assumptions, it will be necessary to strengthen the premium reserve for group pensions. The total required increase in reserves for the portfolio as at 30 June 2017 was NOK 11.3 billion. It will be possible to use returns in excess of the guaranteed rates of return, in addition to the risk result, to cover the required increase in reserves. However, it will not be possible to use excess returns on one contract to strengthen reserves on other contracts. The shareholder contribution will be affected by the average return achieved during the 2014-2020 period. Provided that the expected return is achieved, DNB will have to cover approximately 20 per cent of the total required increase in reserves. DNB's share will represent approximately NOK 2.7 billion, of which NOK 2.6 billion had been charged to the accounts by end-June 2017.

2.8.1 Total DNB Markets activity - Financial performance

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income	54	63	41	51	31	34	40	(30)	114
Net fees and commissions	550	517	691	338	470	338	390	325	633
Net financial items	1 035	1 315	1 418	1 729	1 366	925	1 447	186	1 164
Total income	1 639	1 894	2 149	2 119	1 867	1 298	1 877	481	1 911
Operating expenses	(745)	(737)	(734)	(663)	(693)	(662)	(680)	(673)	(671)
Pre-tax operating profit before impairment	894	1 158	1 416	1 456	1 175	635	1 197	(192)	1 240
Net gains on fixed and intangible assets							(1)		
Impairment losses on loans and guarantees				(0)	(0)	0			
Pre-tax operating profit	894	1 158	1 416	1 456	1 175	635	1 196	(192)	1 240
Tax expense	(206)	(266)	(354)	(364)	(294)	(159)	(311)	50	(322)
Profit for the period	689	891	1 062	1 092	881	477	885	(142)	917
Average balance sheet items in NOK billion:									
Allocated capital ¹⁾	14.0	15.2	15.3	16.1	15.5	15.5	16.0	15.4	17.1
Key figures in per cent:									
Cost/income ratio	45.4	38.9	34.1	31.3	37.1	51.0	36.2	139.9	35.1
Return on allocated capital, annualised ¹⁾	19.8	23.8	27.5	27.0	22.9	12.4	22.0	(3.7)	21.6

1) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

2.8.2 Total DNB Markets activity - Revenues within various segments

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
FX, interest rate and commodity derivatives	486	488	555	523	586	509	547	465	464
Investment products	124	171	155	99	152	130	148	131	115
Corporate finance	439	388	523	247	340	229	290	243	551
Securities services	128	88	87	85	90	76	75	70	86
Interest income on allocated capital, customer activity	8	11	12	11	10	12	18	21	26
Total customer revenues	1 186	1 145	1 331	966	1 177	955	1 077	929	1 242
Net income international bond portfolio	187	295	93	404	186	17	(14)	(202)	11
Other market making/trading revenues	258	443	715	739	496	315	799	(263)	639
Interest income on allocated capital, trading	9	12	11	9	9	10	15	17	19
Total trading revenues	454	749	818	1 153	691	343	799	(448)	669
Total income	1 639	1 894	2 149	2 119	1 867	1 298	1 877	481	1 911

2.8.3 Total DNB Markets activity - Value-at-Risk

<i>Amounts in NOK thousand</i>	30 June 2017	Second quarter 2017		
	Actual	Average	Maximum	Minimum
Currency risk	7 200	8 492	12 490	2 300
Interest rate risk	14 060	24 311	40 780	14 060
Equities	3 739	5 003	10 901	2 073
Diversification effects ¹⁾	(6 390)	(8 783)		
Total	18 609	29 024		

1) Diversification effects refer to currency and interest rate risk only.

Value-at-Risk is the maximum loss that could be incurred on trading positions from one day to the next at a 99 per cent confidence level.

2.8.4 DNB Livsforsikring Group - Financial performance

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Value-adjusted financial result ¹⁾	2 429	2 467	1 874	2 361	2 002	1 736	4 127	451	1 698
Guaranteed return on policyholders' funds	(1 512)	(1 481)	(1 480)	(1 520)	(1 528)	(1 517)	(1 500)	(1 547)	(1 540)
Financial result after guaranteed returns	917	986	395	842	474	219	2 628	(1 097)	159
+ From market value adjustment reserve	(298)	(545)	241	(178)	724	(780)	90	786	569
Recorded interest result before the application of/(transfers to) additional allocations	619	442	636	664	1 198	(561)	2 717	(310)	728
Application of/(transfers to) additional allocations	(38)	38	(753)	(27)	(539)	566	(863)	7	(186)
Recorded interest result	581	480	(117)	637	659	5	1 854	(303)	542
Risk result	34	78	179	66	142	61	166	142	186
Administration result	77	82	76	62	83	105	99	74	63
Upfront pricing of risk and guaranteed rate of return	34	38	56	68	81	83	137	131	133
Provisions for higher life expectancy, group pension ²⁾	(242)	(28)	(433)	(403)	(544)	(72)	(2 505)	162	(610)
Allocations to policyholders, products with guaranteed rates of return ²⁾	(386)	(507)	307	(338)	(370)	(55)	(455)	(28)	(116)
Return on corporate portfolio	349	118	116	96	145	82	107	(20)	189
I Pre-tax operating profit - traditional pension products	447	259	184	188	197	210	(596)	158	387
Recorded interest result	75	111	(160)	149	105	16	60	2	133
Risk result	33	22	68	17	69	11	53	42	37
Administration result	50	42	42	44	21	35	52	34	27
Upfront pricing of risk and guaranteed rate of return	27	28	31	32	32	31	32	32	31
Allocations to policyholders, products with guaranteed rates of return	(54)	(90)	184	(128)	(91)	(3)	(28)	16	(108)
Interest on allocated capital	29	13	10	8	13	7	10	(4)	14
II Pre-tax operating profit - new pension products	161	125	175	122	149	97	178	120	133
Recorded interest result	5	5	6	4	4	3	7	5	7
Risk result	16	23	43	26	24	31	9	41	34
Administration result	1	(1)	(0)	(2)	(5)	(2)	3	(10)	(1)
Interest on allocated capital	2	1	1	2	(0)	0	0	(0)	1
III Pre-tax operating profit - risk products	23	28	48	30	23	32	21	36	40
Pre-tax operating profit (I + II + III)	631	413	408	339	369	339	(398)	314	561
Tax expense	(51)	(65)	3	(40)	(72)	(34)	735	57	(98)
Profit	580	348	410	299	296	305	337	371	463

1) Excluding unrealised gains on long-term securities.

2) In consequence of the upward adjustment of life expectancy assumptions, it will be necessary to strengthen the premium reserve for group pensions. It will be possible to use returns in excess of the guaranteed rate of return to cover the required increase in reserves. However, it will not be possible to use excess returns on one contract to strengthen reserves on other contracts. The transfer of the risk equalisation fund to the policyholders' premium reserve reduced results by NOK 980 million in the fourth quarter of 2015.

2.8.4 DNB Livsforsikring Group - Financial performance (continued)

Full year figures

Amounts in NOK million

	YTD 2017	2016	2015	2014	2013	2012
Value-adjusted financial result ¹⁾	4 896	7 973	8 749	10 826	10 458	11 341
Guaranteed return on policyholders' funds	(2 993)	(6 044)	(6 268)	(6 710)	(6 885)	(6 801)
Financial result after guaranteed returns	1 903	1 929	2 481	4 116	3 573	4 539
+ From market value adjustment reserve	(843)	8	537	(235)	(1 497)	(636)
Recorded interest result before the application of/(transfers to) additional allocations	1 061	1 937	3 018	3 882	2 077	3 904
Application of/(transfers to) additional allocations		(753)	(855)	(844)	(10)	
Recorded interest result	1 061	1 185	2 163	3 038	2 066	3 904
Risk result	111	448	599	468	321	(105)
Administration result	159	327	291	228	124	18
Upfront pricing of risk and guaranteed rate of return	72	288	535	647	682	500
Provisions for higher life expectancy, group pension	(270)	(1 452)	(3 141)	(2 909)	(1 798)	(3 323)
Allocations to policyholders, products with guaranteed rates of return	(893)	(455)	(802)	(913)	(355)	(324)
Return on corporate portfolio	467	439	500	652	559	511
I Pre-tax operating profit - traditional pension products	706	779	145	1 212	1 599	1 181
Recorded interest result	185	110	303	568	332	447
Risk result	55	165	148	186	80	(140)
Administration result	92	141	167	123	107	(5)
Upfront pricing of risk and guaranteed rate of return	55	126	123	104	106	80
Transferred from/(to) security reserve	-	-	-	(16)	4	(16)
Allocations to policyholders, products with guaranteed rates of return	(144)	(38)	(207)	(442)	(231)	(339)
Interest on allocated capital	43	38	45	52	36	33
II Pre-tax operating profit - new pension products	287	543	579	575	435	59
Recorded interest result	9	16	26	31	31	36
Risk result	39	123	114	51	51	(54)
Administration result	(0)	(9)	(23)	(27)	5	11
Transferred from/(to) security reserve	-	-	-	(2)	10	(3)
Allocations to policyholders, products with guaranteed rates of return	-	-	-	-	(2)	45
Interest on allocated capital	3	2	3	4	3	3
III Pre-tax operating profit - risk products	51	133	119	57	98	39
Pre-tax operating profit (I + II + III)	1 044	1 455	843	1 844	2 132	1 279
Tax expense	(116)	(144)	692	(252)	(256)	355
Profit	928	1 311	1 535	1 592	1 876	1 634

1) Excluding unrealised gains on long-term securities.

2.8.5 Reconciliation of the DNB Livsforsikring Group's and the DNB Group's financial statements

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
<u>DNB Group:</u>									
Net financial result, DNB Livsforsikring	361	97	(83)	29	(80)	(11)	(951)	(166)	53
Net risk result, DNB Livsforsikring	83	123	290	109	234	103	228	225	258
Net financial and risk result in DNB Livsforsikring Group	444	220	206	138	155	92	(723)	59	311
Eliminations in the group accounts	10	20	26	15	12	20	42	9	(141)
Net financial and risk result from DNB Livsforsikring Group	454	240	232	154	166	112	(681)	69	170
<u>DNB Livsforsikring Group:</u>									
Recorded interest result	660	595	(272)	790	769	24	1 921	(296)	682
Return on corporate portfolio	380	133	127	106	158	89	117	(24)	203
- Administration result - corporate portfolio	(3)	5	(4)	(4)	7	4	5	3	5
Provisions for higher life expectancy, group pension	(242)	(28)	(433)	(403)	(544)	(72)	(2 505)	162	(610)
Allocations to policyholders, products with guaranteed rates of return	(440)	(597)	491	(466)	(460)	(58)	(483)	(13)	(224)
Risk result	83	123	290	109	234	103	228	225	258
- Costs from subsidiaries which are fully consolidated in DNB Livsforsikring Group's accounts	-	-	-	-	(5)	(9)	(3)	(9)	(8)
Net financial and risk result in DNB Livsforsikring Group	444	220	206	138	155	92	(723)	59	311
Eliminations in the group accounts	10	20	26	15	12	20	42	9	(141)
Net financial and risk result from DNB Livsforsikring Group	454	240	232	154	166	112	(681)	69	170
<u>DNB Group:</u>									
Commission and fee income etc. ^{*)}	502	511	522	510	572	600	606	605	640
Commission and fee expenses etc. ^{**)}	(92)	(86)	(87)	(91)	(108)	(84)	(99)	(80)	(110)
Other income	6	16	5	1	13	7	5	6	6
Operating expenses	(229)	(247)	(240)	(220)	(262)	(277)	(187)	(275)	(287)
Administration result including upfront pricing of risk and guaranteed rate of return	187	193	201	200	215	247	325	255	249
<u>DNB Livsforsikring Group:</u>									
Upfront pricing of risk and guaranteed rate of return	61	66	87	101	112	114	169	163	164
Administration result	128	122	118	104	100	138	155	97	88
+ Administration result - corporate portfolio	(3)	5	(4)	(4)	7	4	5	3	5
+ Costs from subsidiaries which are fully consolidated in DNB Livsforsikring Group's accounts	-	-	-	-	(5)	(9)	(3)	(9)	(8)
Administration result including upfront pricing of risk and guaranteed rate of return	187	193	201	201	215	247	325	255	249

2.8.5 Reconciliation of the DNB Livsforsikring Group's and the DNB Group's financial statements (continued)

*) Details on commissions and fee income etc. for product groups

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
New pension products									
- administration income	210	207	205	193	191	193	187	191	207
- upfront pricing	27	28	31	32	32	31	32	32	31
Risk products									
- administration income	30	30	29	28	36	33	32	25	33
Traditional pension products									
Defined benefit:									
- administration income	49	67	60	43	87	102	74	70	76
- upfront pricing	34	38	57	68	77	81	135	131	130
Paid-up policies:									
- administration income	84	76	79	76	61	69	66	64	66
Previously established individual products:									
- administration income	67	65	63	69	70	72	68	77	81
Public market:									
- administration income	-	-	(2)	-	9	7	6	6	5
- upfront pricing	-	-	(1)	-	3	3	2	1	3
Commissions and fee income etc. excl. DNB Pensjonstjenester	502	511	522	510	567	591	603	596	632
Income DNB Pensjonstjenester ¹⁾					5	9	3	9	8
Total commissions and fee income etc.	502	511	522	510	572	600	606	605	640

***) Details on commission and fee expenses etc. for product groups

Amounts in NOK million	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
New pension products	(45)	(43)	(43)	(44)	(48)	(40)	(42)	(34)	(51)
Risk products	(9)	(8)	(8)	(8)	(19)	(8)	(10)	(9)	(9)
Traditional pension products									
Defined benefit	(4)	(5)	(9)	(10)	(8)	(10)	(11)	(7)	(12)
Paid-up policies	(20)	(17)	(14)	(16)	(18)	(11)	(12)	(8)	(13)
Previously established individual products	(9)	(9)	(10)	(10)	(11)	(10)	(20)	(17)	(21)
Public market	-	-	(0)	-	1	(1)	(1)	(1)	(2)
Corporate portfolio	(4)	(4)	(2)	(4)	(4)	(3)	(4)	(2)	(3)
Total commission and fee expenses etc.	(92)	(86)	(87)	(91)	(108)	(84)	(100)	(80)	(110)

1) DNB Pensjonstjenester was sold to Gabler in July 2016.

2.8.6 DNB Livsforsikring Group - Value-adjusted return on assets

Per cent	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Return - common portfolio ¹⁾									
Financial assets									
Norwegian equities	0.92	0.56	9.66	5.03	4.10	(3.59)	6.01	(8.26)	5.36
International equities ²⁾	3.02	5.49	3.00	5.60	1.21	(1.17)	5.73	(9.11)	(0.26)
Norwegian bonds	0.67	1.23	(0.36)	0.04	0.93	1.91	0.35	0.88	(0.58)
International bonds	1.44	0.69	(1.14)	1.92	1.96	2.95	0.74	0.57	(1.48)
Money market instruments	0.39	0.56	0.32	0.46	0.44	0.61	0.37	(0.03)	0.39
Bonds held to maturity	1.24	1.10	1.00	1.16	1.12	1.12	1.20	1.18	1.13
Investment properties	2.47	2.40	3.30	1.90	1.50	1.30	6.70	2.90	2.50
Value-adjusted return on assets I ³⁾	1.29	1.32	0.99	1.26	1.04	0.91	2.19	0.21	0.89
Recorded return on assets ^{4) *)}	1.12	1.03	1.12	1.18	1.41	0.49	2.27	0.64	1.20
Value-adjusted return on assets I, annualised ³⁾	5.29	5.42	4.05	5.16	4.27	3.72	9.18	0.83	3.60
Return - corporate portfolio									
Value-adjusted return on assets I ³⁾	1.42	0.58	0.60	0.53	0.70	0.54	0.52	(0.04)	0.91

*) Recorded return broken down on sub-portfolios in the common portfolio:

Previously established individual products	1.01	1.17	1.22	1.41	1.34	0.31	2.54	0.49	1.15
Paid-up policies									
Paid-up policies, build-up of reserves completed	0.82	1.11	1.05	1.01	1.45	0.49	1.65	0.83	1.21
Paid-up policies, build-up of reserves in progress	2.07	0.77	1.22	1.21	1.54	0.58	2.47	0.75	1.33
Common portfolio	0.94	1.05							
- with low risk	-	-	0.92	0.89	1.36	0.38	2.11	0.76	1.17
- with moderate risk	-	-	1.08	1.10	1.43	0.62	2.15	0.62	1.16
Guaranteed products for retail customers	0.77	0.95	0.89	1.19	1.12	0.30	2.35	0.28	1.06
Risk products - defined contribution	0.70	0.91	0.67	0.99	0.96	0.63	1.74	1.03	1.09
Risk products	0.74	0.74	0.77	0.69	0.60	0.41	0.98	0.73	0.68
Public market	-	-	-	-	0.85	0.84	2.06	0.94	0.79
Recorded return on assets	1.12	1.03	1.12	1.18	1.41	0.49	2.27	0.64	1.20

1) Returns are calculated on a quarterly basis.

2) International equities include DNB Livsforsikring Group's exposure in hedge funds, private equities and real estate funds.

3) Excluding changes in value of commercial paper and bonds held to maturity.

4) Excluding unrealised gains on financial instruments.

2.8.7 DNB Livsforsikring Group - Financial exposure per sub-portfolio as at 30 June 2017

Amounts in NOK million	Equities, Norwegian	Equities, international ¹⁾	Bonds, Norwegian	Bonds, international	Money market instruments	Bonds held to maturity	Loans and receivables	Real estate	Other	Total
Common portfolio	493	3 009	2 865	775	2 863	7 869	6 692	2 726	413	27 704
Guaranteed products for retail customers	373	2 296	2 052	917	600	4 377	2 748	1 617	32	15 011
Paid-up policies, build-up of reserves completed	514	5 196	8 720	2 359	12 023	34 558	15 223	4 454	1 256	84 304
Paid-up policies, build-up of reserves in progress	256	3 183	3 589	977	6 756	16 410	5 807	5 904	115	42 997
Risk products - defined contribution	30	239	432	225	1 077	1 053	656	278	5	3 995
Risk products					810	827	391	68	101	2 197
Previously established individual products	599	4 153	4 559	2 056	1 117	12 078	3 781	4 876	95	33 315
Total common portfolio	2 263	18 076	22 217	7 309	25 246	77 173	35 298	19 923	2 017	209 522
Corporate portfolio	1 296	3			25 110	2 038	1 844	6	847	31 144
Total	3 559	18 079	22 217	7 309	50 356	79 211	37 142	19 929	2 864	240 667

2.8.8 DNB Livsforsikring Group - Financial exposure - common portfolio

Amounts in NOK million	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Equities, Norwegian ²⁾	2 263	2 590	1 228	1 121	1 834	1 766	987	1 356	1 479
Equities, international ^{1) 2)}	18 076	19 449	13 463	13 281	17 766	17 669	18 229	21 678	22 589
Bonds, Norwegian	22 217	21 733	21 684	21 769	21 666	21 521	15 615	20 847	20 645
Bonds, international	7 309	7 173	7 131	7 283	7 148	7 164	4 267	9 708	9 640
Money market instruments	25 246	22 803	28 802	39 761	33 439	35 261	40 268	35 182	36 690
Bonds held to maturity	77 173	80 058	79 537	81 159	84 268	82 141	84 494	85 312	85 736
Loans and receivables ³⁾	35 298	34 192	35 423	23 628	21 593	23 923	24 377	1 341	1 328
Real estate	19 923	19 593	19 575	19 318	20 459	18 993	20 199	30 283	28 827
Other	2 017	2 048	1 438	1 001	2 344	1 296	555	5 130	6 687
Total	209 522	209 638	208 282	208 321	210 517	209 734	208 993	210 837	213 621

Per cent

Equities, Norwegian ²⁾	1.1	1.2	0.6	0.5	0.9	0.8	0.5	0.6	0.7
Equities, international ^{1) 2)}	8.6	9.3	6.5	6.4	8.4	8.4	8.7	10.3	10.6
Bonds, Norwegian	10.6	10.4	10.4	10.4	10.3	10.3	7.5	9.9	9.7
Bonds, international	3.5	3.4	3.4	3.5	3.4	3.4	2.0	4.6	4.5
Money market instruments	12.0	10.9	13.8	19.1	15.9	16.8	19.3	16.7	17.2
Bonds held to maturity	36.8	38.2	38.2	39.0	40.0	39.2	40.4	40.5	40.1
Loans and receivables	16.8	16.3	17.0	11.3	10.3	11.4	11.7	0.6	0.6
Real estate	9.5	9.3	9.4	9.3	9.7	9.1	9.7	14.4	13.5
Other	1.0	1.0	0.7	0.5	1.1	0.6	0.3	2.4	3.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1) International equities include DNB Livsforsikring Group's exposure in hedge funds, private equities and real estate funds.

2) Equity exposure per sub-portfolio in the common portfolio, see table above.

3) In November 2015, a portfolio of home mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring, and in November 2016, mortgages representing an additional NOK 5 billion were sold. In the fourth quarter of 2016, commercial mortgages amounting to NOK 2.6 billion and 4.5 billion, respectively, were sold from DNB Næringskreditt and DNB Bank to DNB Livsforsikring.

The figures represent net exposure after derivative contracts.

2.8.9 DNB Livsforsikring Group - Balance sheets

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK million</i>									
Due from credit institutions	4 112	4 193	3 549	3 055	6 828	3 979	8 938	4 946	5 222
Loans to customers ¹⁾	38 646	38 371	38 909	27 224	27 716	28 522	28 475	4 245	4 061
Commercial paper and bonds	77 836	74 440	76 920	87 984	79 760	80 930	80 896	91 489	86 345
Shareholdings	20 154	20 894	15 992	15 600	19 966	19 996	10 552	16 003	17 719
Financial assets, customers bearing the risk	67 680	64 688	60 220	56 417	52 893	50 967	49 679	46 344	47 512
Financial derivatives	212	271	334	722	354	659	400	523	445
Commercial paper and bonds, held to maturity	79 116	81 932	82 664	84 203	85 413	85 244	87 599	87 398	87 851
Investment properties	15 923	15 674	15 565	15 097	15 196	14 087	15 195	25 242	29 173
Investments in associated companies	4 242	4 269	4 198	4 305	4 280	5 493	5 434	5 219	2 717
Intangible assets	43	50	57	70	78	87	98	111	120
Deferred tax assets									
Fixed assets	3	4	4	5	5	5	5	6	6
Other assets	923	898	991	1 175	1 385	1 242	779	927	1 523
Total assets	308 890	305 684	299 403	295 857	293 875	291 212	288 051	282 454	282 692
Financial derivatives	294	210	255	223	305	288	694	1 278	704
Insurance liabilities, customers bearing the risk	67 680	64 688	60 220	56 417	52 893	50 967	49 679	46 344	47 512
Liabilities to life insurance policyholders	209 230	209 354	208 160	210 425	210 027	210 230	208 726	205 257	207 024
Payable taxes	9	3	5	54	2	0	27	27	7
Deferred taxes	1 502	1 456	1 382	1 357	1 381	855	764	1 683	1 770
Other liabilities	1 503	1 883	1 649	47	2 240	2 135	1 735	1 661	3 899
Pension commitments	180	178	170	198	173	173	173	283	247
Subordinated loan capital	5 504	5 505	5 505	5 505	5 505	5 511	5 505	5 505	1 464
Total liabilities	285 905	283 279	277 347	274 226	272 526	270 159	267 304	262 038	262 626
Share capital	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750
Share premium reserve	6 016	6 016	6 016	6 016	6 016	6 016	6 016	6 016	6 016
Other equity	15 219	14 639	14 291	13 865	13 584	13 286	12 981	12 650	12 300
Total equity	22 985	22 405	22 057	21 631	21 349	21 052	20 747	20 415	20 066
Total liabilities and equity	308 890	305 684	299 403	295 857	293 875	291 212	288 051	282 454	282 692
<u>Insurance liabilities sub-portfolio:</u>									
New pension products	88 358	85 624	80 911	77 499	73 823	72 335	68 986	65 808	66 918
Risk products	872	875	842	888	877	902	2 382	2 334	2 371
Traditional pension products	187 681	187 544	186 627	188 455	188 220	187 961	187 227	183 700	185 483
Total insurance liabilities	276 910	274 042	268 380	266 842	262 920	261 197	258 595	251 842	254 772

1) In November 2015, a portfolio of home mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring, and in November 2016, mortgages representing an additional NOK 5 billion were sold. In the fourth quarter of 2016, commercial mortgages amounting to NOK 2.6 billion and 4.5 billion, respectively, were sold from DNB Næringskreditt and DNB Bank to DNB Livsforsikring.

The figures encompass DNB Livsforsikring AS including subsidiaries as included in the DNB Group accounts before eliminations of intra-group transactions and balances.

2.8.10 DNB Livsforsikring Group - Solvency capital

	30 June 2017	31 Dec. 2016	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK million</i>									
Interim profit, accumulated	2 351	1 038		3 051	1 843	469		2 385	2 225
Market value adjustment reserve	3 453	3 057	2 424	2 657	2 454	3 193	2 294	2 393	3 292
Additional allocations	6 574	6 673	6 752	6 034	6 009	5 418	6 089	5 128	5 146
Security reserve							223	237	232
Risk equalisation fund	407	407	407	319	319	319	319	1 166	1 166
Equity	22 165	22 165	22 165	20 913	20 930	20 930	20 763	18 484	18 506
Subordinated loan capital and perpetual subordinated loan capital securities	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	1 461
Unrealised gains on long-term securities	8 684	9 045	8 975	10 896	11 990	11 894	10 319	10 856	9 427
Solvency capital	49 134	47 885	46 223	49 371	49 046	47 724	45 506	46 149	41 455
Buffer capital ¹⁾							24 156	23 986	20 976

1) Buffer capital represents the sum of equity and subordinated loan capital in excess of the minimum statutory capital requirement, interim profits, additional allocations and the market value adjustment reserve.

According to prevailing regulations for the statutory accounts of life insurance companies.

The table shows the composition of and development in solvency capital. All these elements, with the exception of part of the security reserve, can be used to meet the guaranteed rate of return on policyholders' funds.

2.8.11 DNB Livsforsikring Group - Capital adequacy and solvency margin capital

Discontinued table

	31 Dec. 2015	30 Sept. 2015	30 June 2015
<i>Amounts in NOK million</i>			
Capital adequacy ¹⁾			
Total eligible primary capital	25 861	23 527	19 831
Capital adequacy ratio (%)	31.3	25.9	21.3
Core capital	20 361	18 027	18 595
Core capital (%)	24.6	19.9	20.0
Risk-weighted assets	82 714	90 833	93 092
Solvency margin capital ²⁾			
Solvency margin capital	29 166	26 785	23 092
Solvency margin capital exceeding the minimum requirement	18 918	16 754	12 990
Solvency margin capital in per cent of the solvency margin capital requirement (%)	285	267	229

Solvency II margin

	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015
<i>Per cent</i>								
Solvency II margin with transitional rules ³⁾	193	197	211	208	202	201	192	171
Solvency II margin without transitional rules	142	144	152	119	96	90	113	86
Interest rate level								
1-year swap rate	0.92	1.00	1.11	1.06	0.82	0.78	0.87	0.92
5-year swap rate	1.50	1.50	1.56	1.25	0.94	0.95	1.26	1.28
10-year swap rate	1.96	1.92	1.95	1.47	1.34	1.14	1.87	1.92

1) Capital adequacy regulations regulate the relationship between the company's primary capital and the investment exposure on the asset side of the balance sheet. Life insurance companies are subject to a minimum capital adequacy requirement of 8 per cent.

2) Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments on the liabilities side of the balance sheet. The solvency margin requirements for Norwegian life insurance companies are subject to regulations on the calculation of solvency capital requirements and solvency margin capital, as laid down by the Ministry of Finance on 19 May 1995.

3) The transitional rules imply that technical insurance reserves in solvency capital calculations are carried at book value, whereby insurance liabilities are calculated based on the contracts' guaranteed rate of return. There will be a 16-year linear phase-in period for technical insurance reserves measured at fair value up to 2032. In addition, the transitional rules imply that the stress factor for equities acquired prior to 1 January 2016 will be increased from 22 to 39 per cent over a seven-year period. Government bonds issued in their domestic currency do not attract a spread risk charge. During a transitional period, this also applies to issues in other EEA currencies. The exemption applies up to and including 2018, whereafter there will be an escalation period up to year-end 2019.

2.8.12 DNB Asset Management - Financial performance

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income	1	1	1	0	0	0	20	(9)	(5)
Net commission income									
- from retail customers	89	83	80	80	76	73	79	78	83
- from institutional clients	153	124	130	178	155	135	159	131	148
Other income	8	3	(9)	2	3	31	2	0	2
Total income	251	211	202	260	234	239	259	200	228
Operating expenses	(116)	(97)	(87)	(122)	(115)	(115)	(155)	(130)	(129)
Pre-tax operating profit	134	113	114	138	119	124	104	70	99
Tax expense	(36)	(31)	(31)	(37)	(32)	(34)	(28)	(19)	(27)
Profit for the period	98	83	83	101	87	91	76	51	73

Assets under management (NOK billion) ¹⁾									
Institutional	488	481	462	466	458	455	492	486	488
- of which DNB Livsforsikring Group ²⁾	259	258	251	261	257	253	248	252	248
Retail	76	72	68	67	63	59	60	57	60
Total	564	553	531	532	521	514	552	543	547

Key figures									
Cost/income ratio (%)	46.4	46.2	43.3	47.0	49.1	48.0	59.9	64.8	56.4

Assets under management - net inflow ^{*)}									
Changes from previous quarters (NOK million)									
Retail market	1 136	1 149	1 256	1 493	(802)	607	154	(484)	(148)
Institutional clients	(777)	7 136	(15 055)	1 145	758	(31 757)	(12 578)	4 388	825
Total	359	8 286	(13 798)	2 638	(45)	(31 150)	(12 424)	3 905	677
*) Excluding dividends:									
Retail market		216	-	-	-	312	-	-	-
Institutional clients		2 693	-	-	-	3 097	-	-	-
Total		2 909	-	-	-	3 409	-	-	-

1) Assets under management and assets under operation at end of period.

2) Managed on behalf of the DNB Livsforsikring Group.

2.8.13 DNB Forsikring - Financial performance

<i>Amounts in NOK million</i>	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Premium income for own account	536	526	533	523	521	489	492	484	471
Cost of claims for own account	(355)	(378)	(360)	(384)	(323)	(379)	(365)	(353)	(313)
Insurance-related operating expenses for own account	(102)	(121)	(98)	(94)	(90)	(84)	(76)	(84)	(84)
Technical insurance profits	79	27	75	45	108	27	51	47	74
Net investment income	17	20	6	13	15	21	10	6	8
Other income and costs	(2)	2	(6)	10	0	3	1	(20)	4
Pre-tax profit	94	48	75	67	124	50	62	32	85
Tax expense	(24)	(12)	(17)	(17)	(31)	(13)	(15)	(9)	(23)
Profit for the period	71	36	58	50	93	38	47	24	63
Balance sheets									
Financial assets	2 425	2 543	2 383	2 355	2 275	2 374	2 163	2 168	2 071
Reinsurance assets	22	33	28	59	43	61	44	57	57
Insurance receivables	1 002	1 006	752	858	932	864	753	806	921
Reinsurance receivables	22	89	105	64	56	53	62	43	32
Total assets	3 471	3 672	3 268	3 336	3 306	3 353	3 022	3 074	3 082
Equity	811	740	704	834	984	891	853	914	890
Premium reserve	1 139	1 200	847	975	1 101	1 076	836	927	1 018
Claims reserve	1 001	975	990	1 028	946	989	982	958	900
Reinsurance liabilities	17	15	0	3	18	18	(0)	2	14
Other liabilities	504	741	727	496	258	378	351	273	259
Total equity and liabilities	3 471	3 672	3 268	3 336	3 306	3 353	3 022	3 074	3 082
Key figures									
Claims ratio for own account	66.2	72.0	67.5	73.4	62.0	77.5	74.2	72.9	66.4
Cost ratio for own account	19.0	22.9	18.4	18.0	17.2	17.1	15.4	17.4	17.9
Combined ratio for own account (per cent)	85.2	94.9	86.0	91.4	79.3	94.6	89.6	90.3	84.3

Chapter 3 - About DNB

DNB - Norway's leading financial services group

DNB's market shares in Norway

Group business structures and financial governance

Shareholder structure

3.1.1 DNB Group

Amounts in NOK billion	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016
Total balance sheet	2 723	2 870	2 653	2 651	2 665
Loans to customers	1 552	1 531	1 509	1 485	1 542
Deposits from customers	1 009	1 017	935	918	961
Market capitalisation	231	222	209	171	162

Due to changes in principles, some comparative figures have been restated. See further details in Accounting principles in the annual report for 2016.

3.1.2 Assets under management in DNB Asset Management, DNB Livsforsikring and DNB Forsikring

Amounts in NOK billion	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016
Total assets under management	615	602	580	568	560
of which:					
total assets under management (external clients)	303	293	278	269	263
mutual funds	114	110	103	101	97
discretionary management	188	183	175	168	166
total assets in DNB Livsforsikring	309	306	299	296	294
financial assets, customers bearing the risk	68	65	60	56	53
total assets in DNB Forsikring	3	4	3	3	3

3.1.3 Customer base

Serving 2.1 million private individuals throughout Norway, of whom 1.3 million used the internet bank and 758 000 the mobile bank during the second quarter of 2017. There were 2.4 million users of the Vipps payment app as at 30 June 2017.

Some 220 000 corporate customers in Norway

Some 1 200 000 life and pension insurance customers in Norway

Approximately 486 000 mutual fund customers in Norway and 120 institutional asset management clients

3.1.4 Distribution network

57 domestic branches	Online equities trading in 16 markets
9 international branches	Online mutual fund trading
4 international representative offices	Provided by Norway Post (the Norwegian postal system): 51 post office counters About 1 320 in-store postal outlets About 1 624 rural postmen
61 branches in the Baltics	
DNB Bank Polska (subsidiary)	
DNB Luxembourg (subsidiary)	
Internet and mobile banking	142 DNB Eiendom sales offices
Vipps and SMS services	12 sales offices for life and pension insurance
Telephone banking	27 insurance agents

3.1.5 DNB Bank ASA - credit ratings from international rating agencies

	Moody's			Standard & Poor's		Dominion Bond Rating Service	
	Long-term		Short-term	Long-term	Short-term	Long-term	Short-term
	Bank deposits	Senior unsecured debt					
As at 30 June 2017	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+ ²⁾	A-1	AA (low) ²⁾	R-1 (middle)
As at 31 March 2017	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+ ²⁾	A-1	AA (low) ²⁾	R-1 (middle)
As at 31 December 2016	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+ ¹⁾	A-1	AA (low) ²⁾	R-1 (middle)
As at 30 September 2016	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+ ¹⁾	A-1	AA (low) ²⁾	R-1 (middle)
As at 30 June 2016	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+ ¹⁾	A-1	AA (low) ²⁾	R-1 (middle)
As at 31 March 2016	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+ ¹⁾	A-1	AA (low) ²⁾	R-1 (middle)
As at 31 December 2015	Aa2 ²⁾	Aa3 ²⁾	P-1	A+ ¹⁾	A-1	AA (low) ²⁾	R-1 (middle)
As at 30 September 2015	Aa2 ²⁾	Aa3 ²⁾	P-1	A+ ¹⁾	A-1	AA (low) ²⁾	R-1 (middle)
As at 30 June 2015	Aa2 ²⁾	Aa3 ²⁾	P-1	A+ ¹⁾	A-1	AA ¹⁾	R-1 (high)

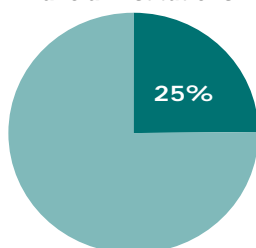
1) Negative outlook.

2) Stable outlook.

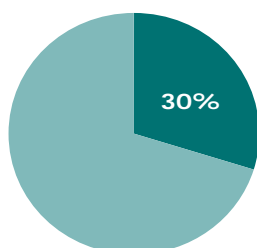
3.2.1 DNB's market shares in Norway as at 31 March 2017

Retail market

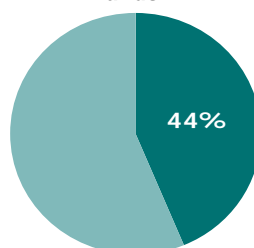
Loans from
financial institutions



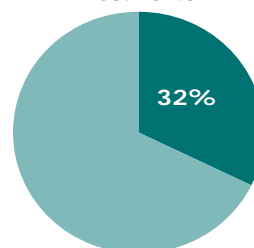
Deposits



Policyholders'
funds

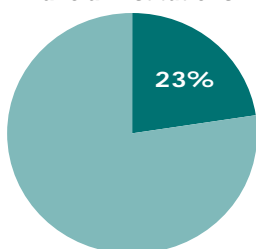


Mutual fund
investments

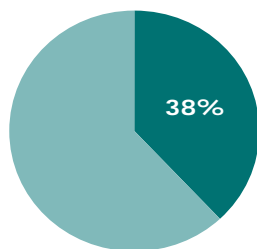


Corporate market

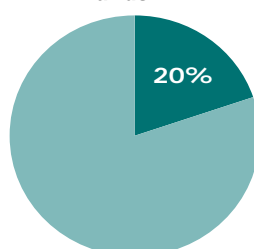
Loans from
financial institutions



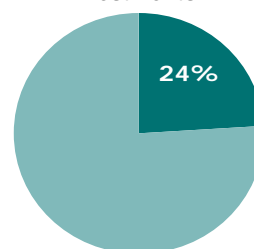
Deposits



Policyholders'
funds ¹⁾



Mutual fund
investments



■ DNB's market shares

1) Includes the public sector.

Source: Statistics Norway and Finance Norway

3.2.2 Development in market shares, loans and deposits

Retail customers

Per cent	31 May 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Total loans to households ^{1) 2)}	24.8	24.9	25.0	25.1	25.2	25.2	25.4	25.6	25.8
Bank deposits from households ^{1) 3)}	29.7	29.8	30.0	30.0	30.2	30.2	30.6	30.7	30.9

Corporate customers

Per cent	31 May 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Total loans to corporate customers ⁴⁾	11.3	11.3	10.8	10.6	10.7	10.7	10.6	11.0	11.0
Deposits from corporate customers ⁵⁾	38.8	38.0	37.6	37.9	37.7	39.0	38.3	38.8	39.4

Based on nominal values.

1) Households are defined as employees, recipients of property income, pensions and social contributions, students etc., housing cooperatives etc., unincorporated enterprises within households and non-profit institutions serving households.

2) Total loans include all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies and finance companies.

3) Domestic commercial and savings banks.

4) Total loans include all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper. Excluding loans to financial institutions, central government and social security services.

5) Excluding deposits from financial institutions, central government and social security services.

Source: Statistics Norway and DNB

3.2.3 DNB Livsforsikring - market shares

Per cent	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015	31 March 2015
Insurance funds including products with a choice of investment profile	22.4	22.4	22.5	22.7	23.0	23.0	22.9	23.1	23.3
Corporate market - defined benefit	41.5	41.5	40.4	40.6	40.7	40.7	40.3	40.1	40.2
Corporate market - defined contribution ¹⁾	28.1	27.5	27.3	27.1	26.9	26.9	27.0	27.5	27.3
Retail market	45.0	45.4	47.5	47.9	48.5	48.1	49.9	50.1	50.0

1) The market shares are based on official statistics from Finance Norway. For accounting and statistical purposes, paid-up policies with investment choice, which stem from defined-benefit schemes, are included in group defined-contribution schemes. If only capital stemming from pure defined-contribution schemes is taken into account, DNB Livsforsikring had the largest market share as at 31 March 2017 of 28.9 per cent.

Source: Finance Norway

3.2.4 DNB Asset Management - market shares retail market

Per cent	31 May 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Equity funds	30.5	30.9	28.8	28.6	28.4	28.2	27.8	27.2	27.6
Balanced funds ¹⁾	39.1	39.7	39.6	39.5	39.6	40.1	40.0	40.5	39.2
Fixed-income funds	25.4	24.7	24.6	24.0	23.6	23.4	22.3	22.0	19.7
Total mutual funds	30.0	30.2	29.0	28.7	28.4	28.4	27.9	27.6	27.0

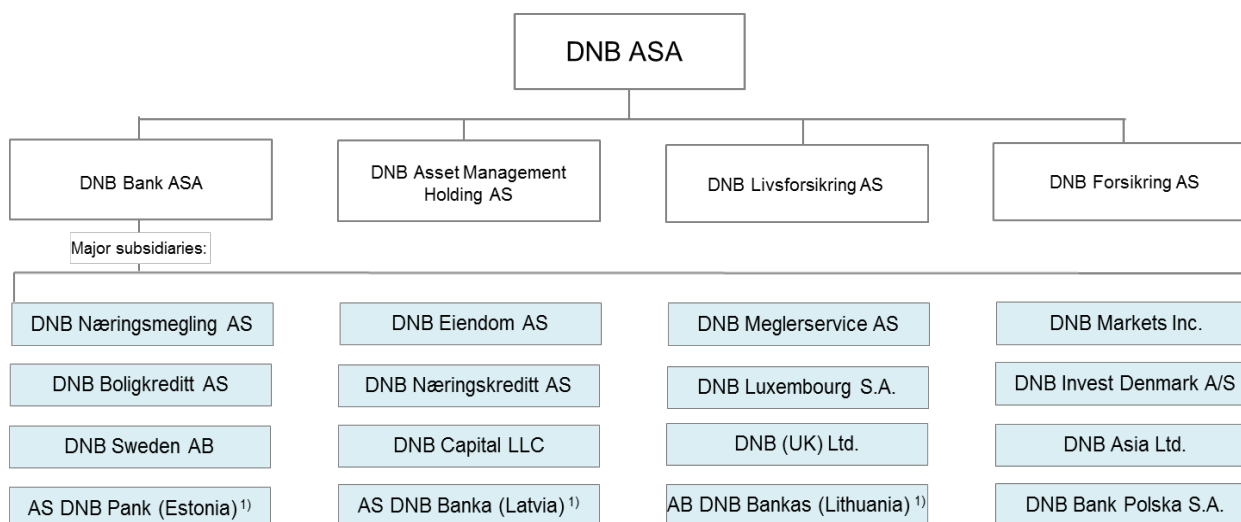
1) Include hedge funds.

Source: Norwegian Mutual Fund Association

3.3.1 Legal structure

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and insurance activities of the DNB Group are organised in separate limited companies under the holding company DNB ASA. Banking activities are organised in DNB Bank ASA and its subsidiaries. Asset management activities are organised under DNB Asset Management Holding AS. DNB Livsforsikring AS offers life insurance and pension saving products. DNB Forsikring AS offers non-life insurance products as part of a total product package for retail customers.

The chart below shows the legal structure of the DNB Group.



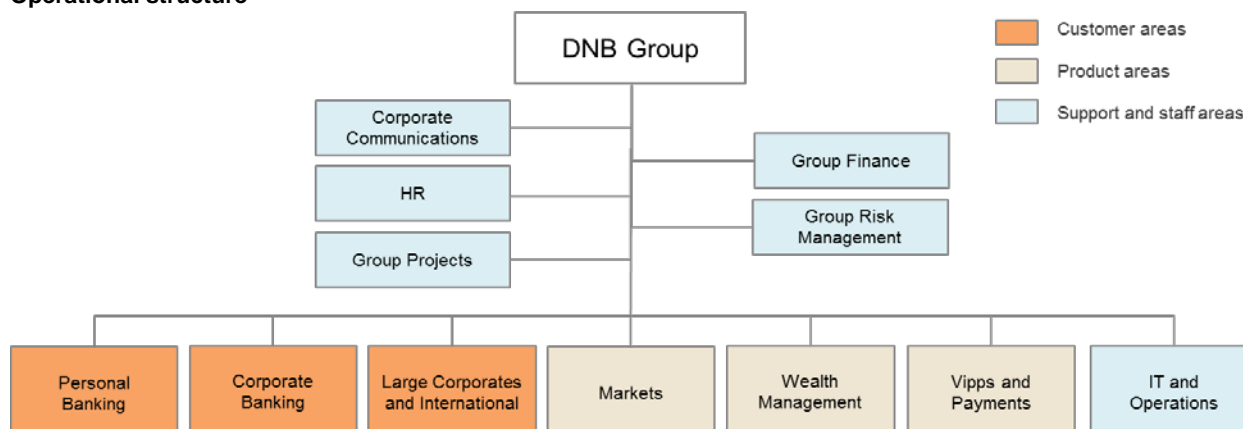
¹⁾ On 25 August 2016 DNB and Nordea announced an agreement to combine their operations in Estonia, Latvia and Lithuania. The transaction is conditional upon regulatory approvals, and is expected to close during the fourth quarter of 2017. See 1.1.15 Assets and liabilities held for sale for further description.

3.3.2 Operational structure

The operational structure of DNB deviates from its legal structure. The operational structure is adapted to the Group's business operations and aims to ensure high-quality customer service and products as well as efficient operations.

DNB's operational structure aims to ensure efficient adaption to changes in customer behaviour and the development of products and services tailored to customer needs. Customer areas are responsible for customer relationships and customer service, while product areas are responsible for the development of key products. Operational tasks and group services are carried out by the Group's support and staff units, which provide infrastructure and cost-efficient services for the business units. All activities in subsidiaries fall within the area relevant to the company's primary operations.

Operational structure

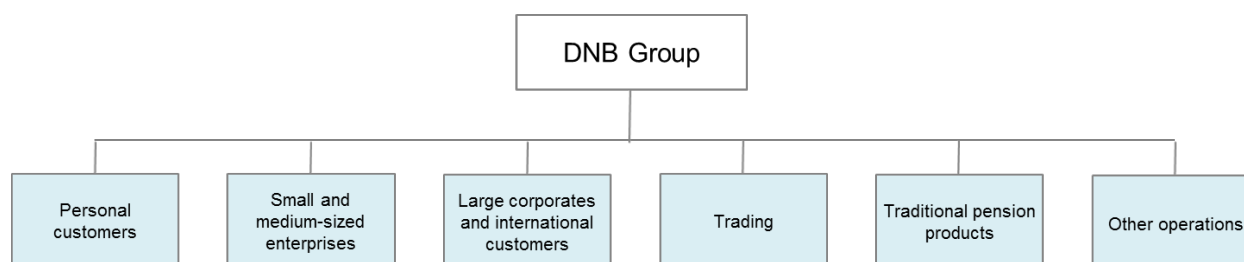


- **Personal Banking** is responsible for product sales and advisory services to Norwegian consumers and households. DNB offers a wide range of products through Norway's largest distribution network, comprising branches, telephone banking (24/7), digital banking, real estate broking as well as external channels (post offices and in-store postal and banking outlets). Personal Banking is also responsible for credit cards and consumer financing for retail customers in Sweden.
- **Corporate Banking** 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. Corporate Banking is represented through a broad physical distribution network throughout Norway as well as digital and telephone banking (24/7). Corporate Banking is responsible for factoring, leasing and asset financing in Norway, Sweden and Denmark.
- **Large Corporates and International (LCI)** serves the bank's largest corporate customers and is responsible for DNB's international banking operations. DNB serves its customers with emphasis on industry expertise and relationship management. LCI is recognised for its long-term customer relationships based on sound industry and product expertise and strong skills within complex international transactions. LCI also includes DNB's operations in the Baltics, mainly serving personal and small business customers.
- **Markets** offers all of the Group's customers risk management, investment and financing products and services in the capital markets. Products and solutions are provided by customer teams in cooperation with the customer areas, and Markets gives advice and develops tailor-made products for the different customer segments. Markets' market making and other trading activities support customer activities with products and prices.
- **Wealth Management** is responsible for the Group's private banking activities and aims to strengthen DNB's position in the fast-growing high-net-worth segment and in the market for long-term saving products and asset management. Wealth Management is responsible for the further development of the Group's savings products and delivers defined-contribution and investment choice pension products to all of DNB's customers in close cooperation with the customer areas.
- **Vipps and Payments** is responsible for drafting and tailoring the strategy for future payment solutions in DNB. This includes responsibility for the mobile payment solution Vipps.

3.3.3 Financial governance and reporting structure

DNB's financial governance 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 on where to allocate the Group's resources. Reported figures for the different segments will reflect the Group's total sales of products and services to the relevant segment.

Reporting structure – business segments



Personal customers: includes the Group's total sales of products and services to personal customers in Norway, both digital and physical, with the exception of home mortgages recorded under Traditional pension products, where returns accrue to the policyholders. Credit cards and consumer financing in Sweden are also included in this business area.

Small and medium-sized enterprises: includes the Group's total sales of products and services to small and medium-sized enterprises in Norway. Factoring, leasing and asset financing for small and medium sized enterprises in Sweden and Denmark are also included in this business area.

Large corporates and international customers: includes total sales of products to large corporate customers in Norway and in international units. The segment also includes personal and small business customers in the Baltics.

Trading: includes the Group's market making and proprietary trading activities in Markets.

Traditional pension products: includes traditional defined-benefit pension products and assets related to these products. DNB no longer offers such products to new customers.

The income statements and balance sheets for the segments are presented in accordance with internal financial reporting principles and DNB's financial governance model. The reporting is based on a number of assumptions, estimates and discretionary distributions. The principles imply allocating revenues, costs and capital requirements to the segments.

Margin income on loans and deposits is calculated using internal transfer rates based on observable market rates, which in most cases roughly correspond to NIBOR. Additional costs relating to the Group's long-term funding are also charged to the segments.

Services provided by staff and support units will as far as possible be scaled and priced according to use. The pricing of such intra-group transactions is regulated by internal agreements based on market terms. Joint expenses incurred by group staff units and other group expenditures that cannot be debited according to use, are charged on the basis of relevant distribution formulas. Costs relating to the Group's equity transactions, including strategic investments, and direct shareholder-related expenses and costs related to the Group's governing bodies are not charged to the segments.

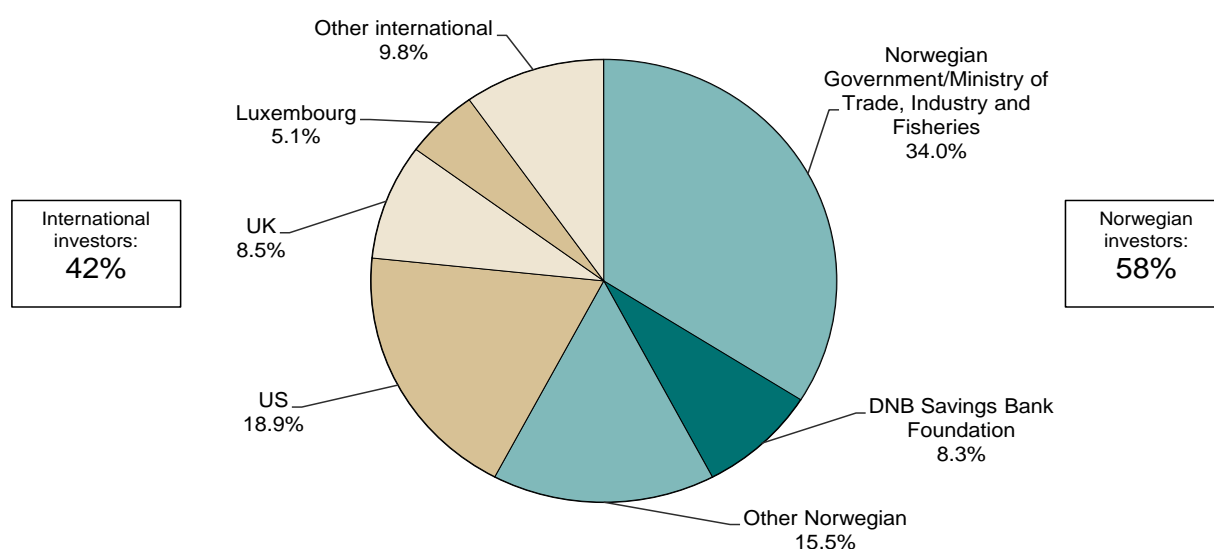
The Group's total common equity Tier 1 capital is allocated to the segments. Allocated capital reflects the Group's long-term capitalisation ambition, and the distribution formula is based on an adaption to the Basel III regulations. Return on allocated capital represents profits after tax relative to average allocated capital.

3.4.1 Major shareholders as at 30 June 2017

	Shares in 1 000	Ownership in per cent
Norwegian Government/Ministry of Trade, Industry and Fisheries	553 792	34.0
DNB Savings Bank Foundation	134 723	8.3
Folketrygdfondet	101 640	6.2
Fidelity Worldwide Investment (UK) Ltd.	33 032	2.0
BlackRock Institutional Trust Company, N.A.	26 280	1.6
The Vanguard Group, Inc.	25 489	1.6
Schroder Investment Management Ltd. (SIM)	23 357	1.4
Deutsche Asset Management Investment GmbH	18 288	1.1
MFS Investment Management	18 096	1.1
T. Rowe Price Associates, Inc.	17 457	1.1
Storebrand Kapitalforvaltning AS	16 070	1.0
KLP Forsikring	16 064	1.0
DNB Asset Management AS	14 724	0.9
Newton Investment Management Ltd.	14 122	0.9
SAFE Investment Company Limited	13 851	0.9
State Street Global Advisors (US)	12 747	0.8
Henderson Global Investors Ltd.	12 299	0.8
Wellington Management Company, LLP	11 692	0.7
T. Rowe Price International (UK) Ltd.	11 110	0.7
EARNEST Partners, LLC	10 827	0.7
Total largest shareholders	1 085 661	66.7
Other shareholders	543 138	33.3
Total	1 628 799	100.0

The owners of shares in nominee accounts are determined on the basis of third-party analyses.

3.4.2 Ownership according to nationality as at 30 June 2017



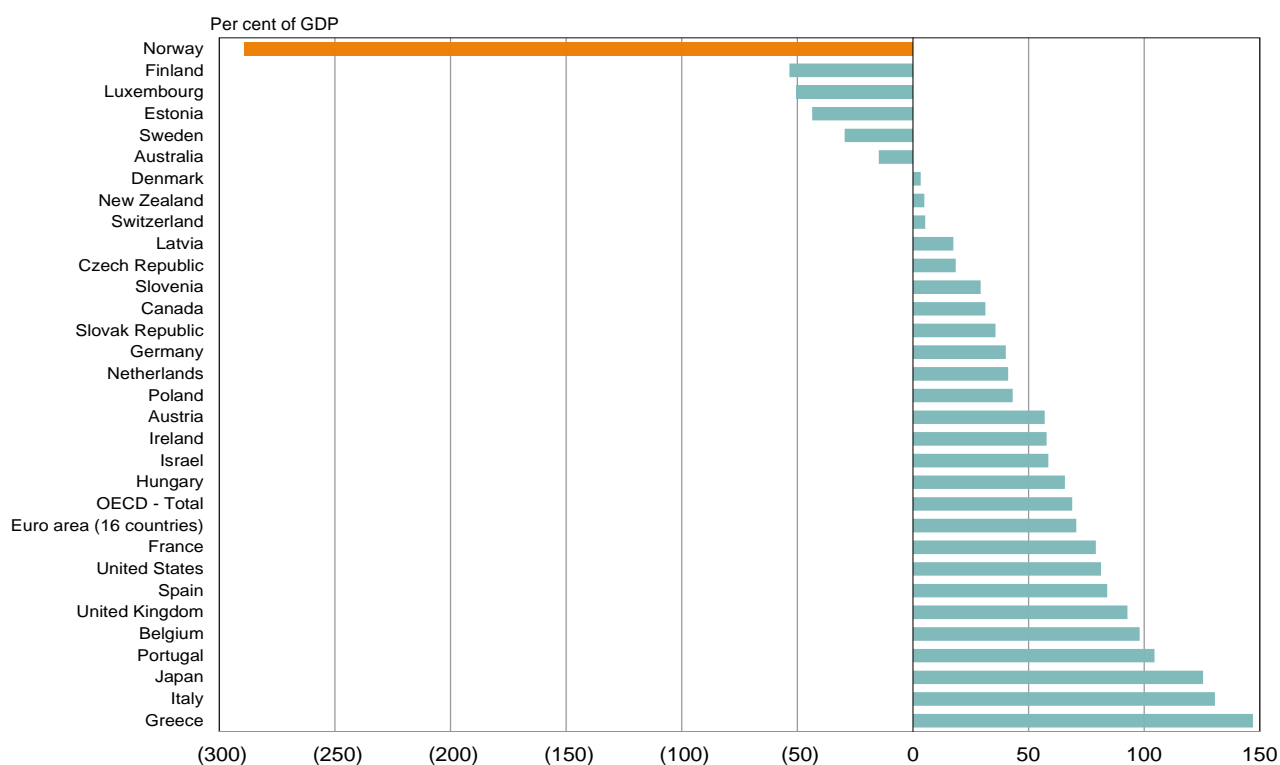
Chapter 4 - The Norwegian economy

4.1.1 Basic information about Norway

Area	385 199 square kilometres
Population	5.3 million
Fertility rate	1.7
Life expectancy	M: 80.6 F: 84.2
Work participation rate, per cent 15-74 years	69.6 (M: 72.4 F:66.7)
Gross domestic product 2016	USD 370.6 billion
GDP per capita 2016	USD 70 777
Rating	AAA, Aaa
Currency exchange rate used	8.07 USD/NOK (Average 2016)
Current balance 2016	USD 33.8 billion or 9.0 per cent of GDP

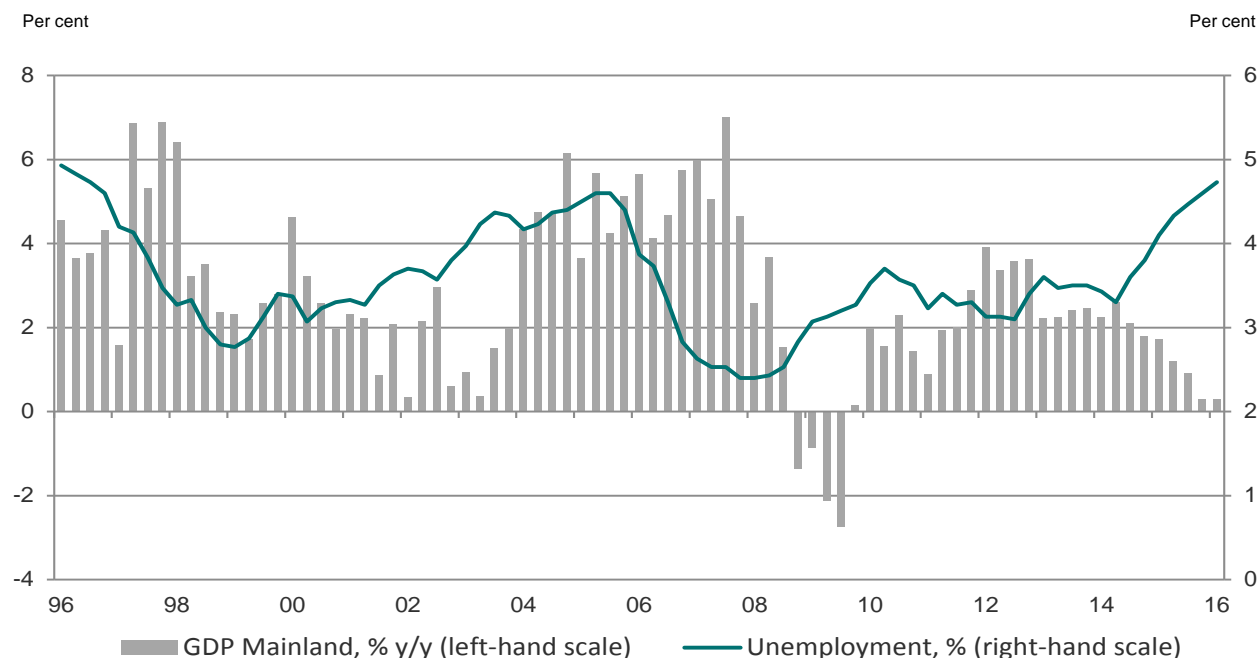
Source: Statistics Norway

4.1.2 Government net financial liabilities 2015



Source: OECD Economic Outlook No. 101 database, June 2017

4.1.3 GDP growth mainland Norway and unemployment rate



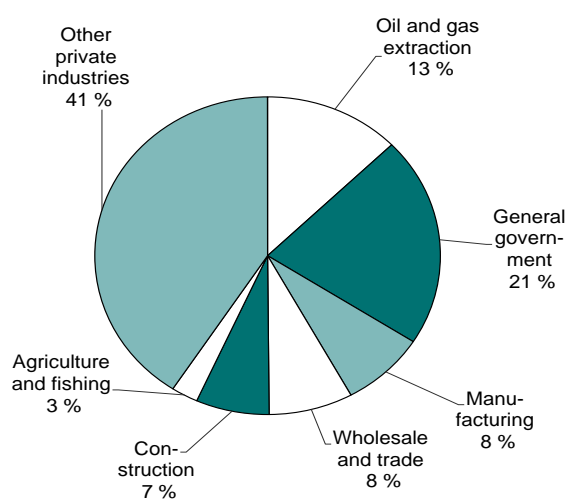
Source: Thomson Datastream, Statistics Norway

4.1.4 Contribution to volume growth in GDP, mainland Norway

Per cent	2015	2016	F 2017	F 2018	F 2019	F 2020
Household demand	1.1	1.4	1.4	1.1	1.2	1.3
Gross fixed capital formation, mainland companies	(0.1)	0.3	0.1	0.3	0.3	0.2
Gross fixed capital formation, petroleum activity	(1.5)	(2.2)	0.2	(0.0)	0.3	0.3
Public sector demand	0.7	1.0	0.7	0.6	0.6	0.6
Exports, mainland Norway	1.3		(0.1)	0.7	0.8	0.7
Imports, mainland Norway	0.7		0.2	0.9	1.2	1.2
Changes in stocks and statistical discrepancies	0.3	0.4	(0.4)			
GDP, mainland Norway	1.1	0.9	1.6	1.7	1.9	1.9

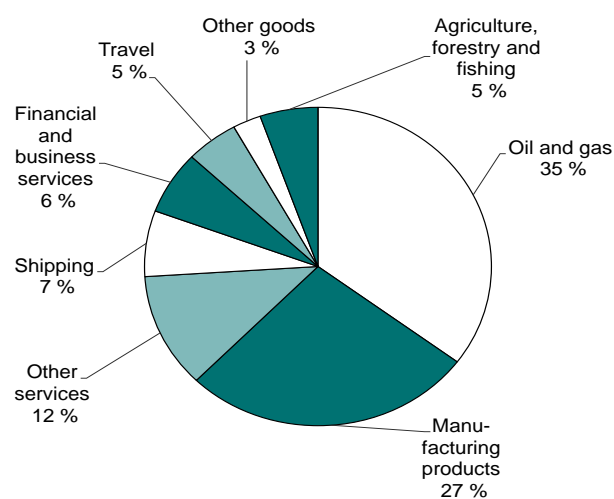
Source: Statistics Norway and DNB Markets

4.1.5 Composition of GDP in 2016



Source: Statistics Norway, annual national accounts 16 May 2017

4.1.6 Composition of exports in 2016



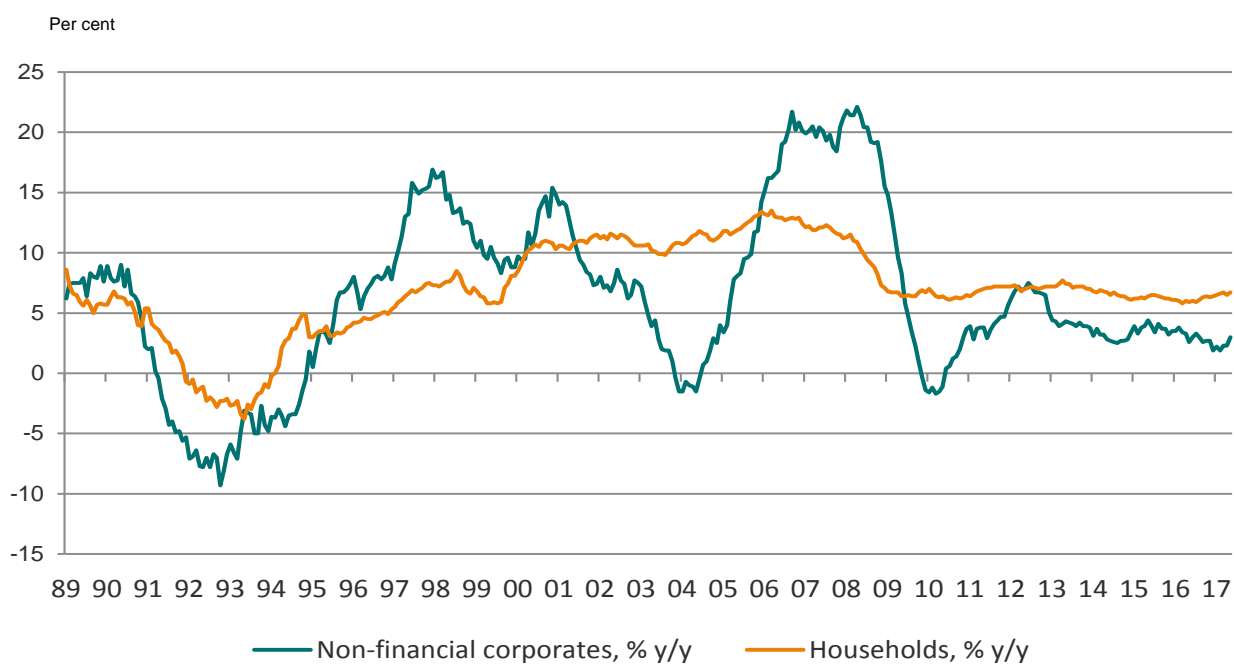
4.1.7 Key macro-economic indicators, Norway

Per cent	2015	2016	F 2017	F 2018	F 2019	F 2020
GDP growth						
- mainland Norway	1.1	0.9	1.6	1.7	1.9	1.9
- Norway, total	1.6	1.1	1.6	1.4	1.6	1.5
Private consumption	2.1	1.6	2.0	2.3	2.5	2.6
Gross fixed investment	(3.8)	0.3	0.0	1.2	1.9	2.1
Inflation (CPI)	2.2	3.5	2.1	1.8	1.5	1.4
Savings ratio ¹⁾	10.8	7.3	7.4	7.4	7.5	7.8
Unemployment rate	4.4	4.8	4.4	4.2	4.1	4.0

1) Per cent of household disposable income.

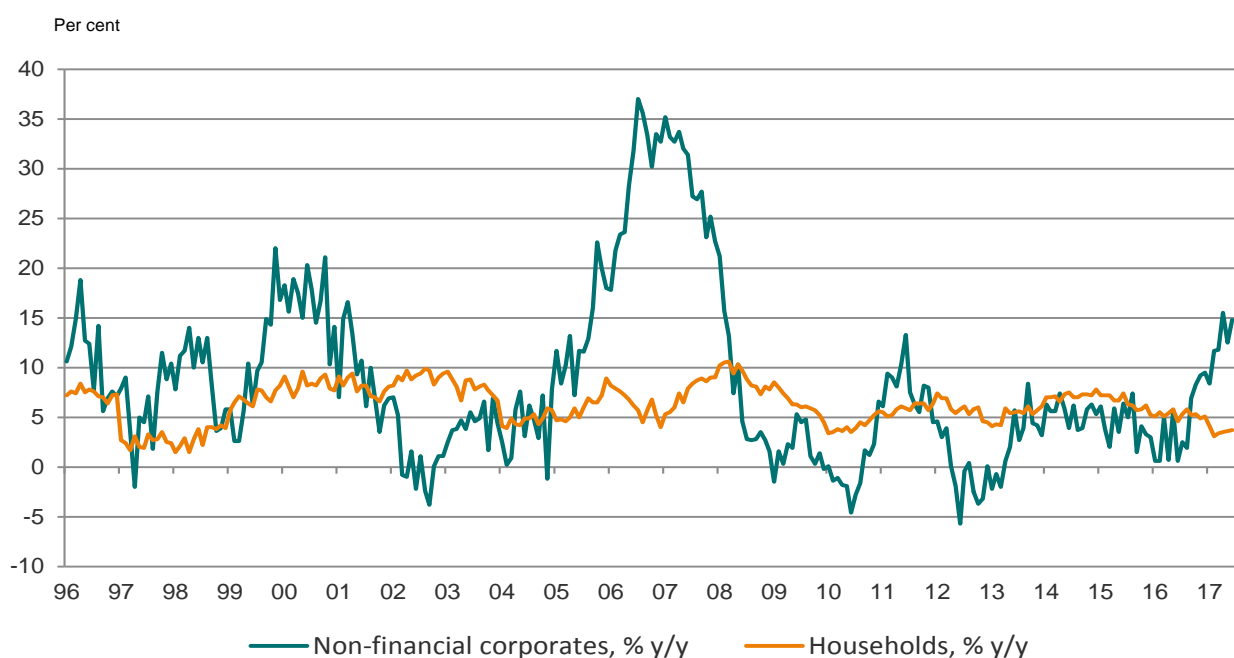
Source: Statistics Norway and DNB Markets

4.1.8 Credit market, 12 month percentage growth



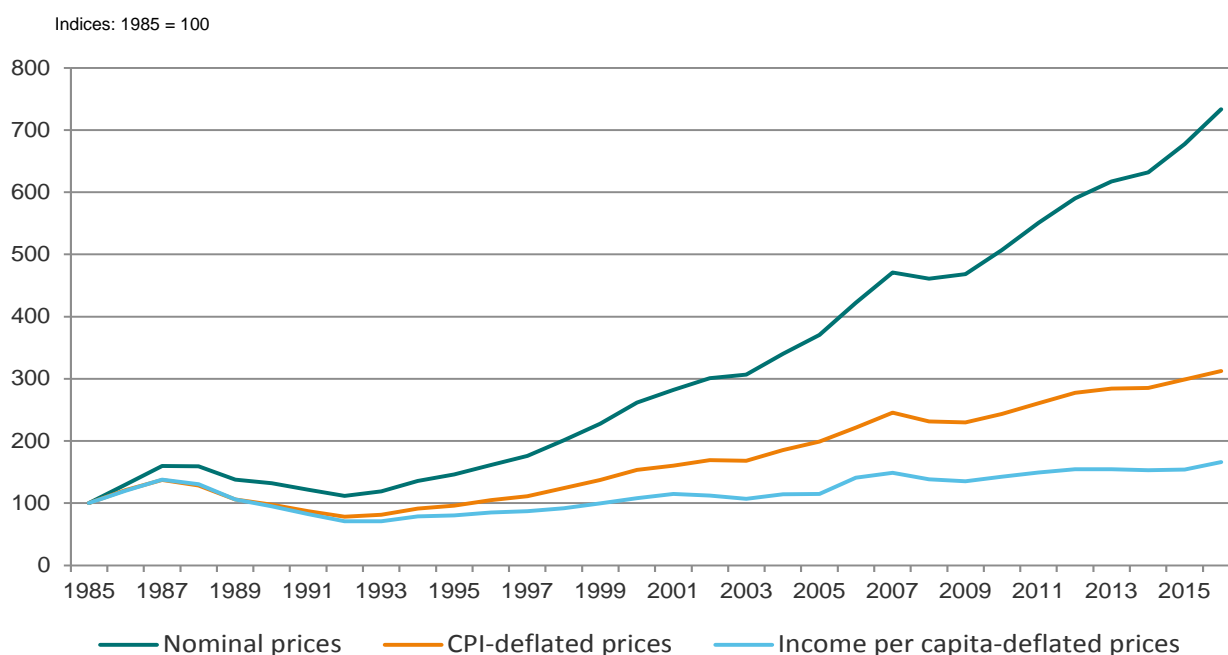
Source: Thomson Datastream, Statistics Norway

4.1.9 Deposit market, 12 month percentage growth



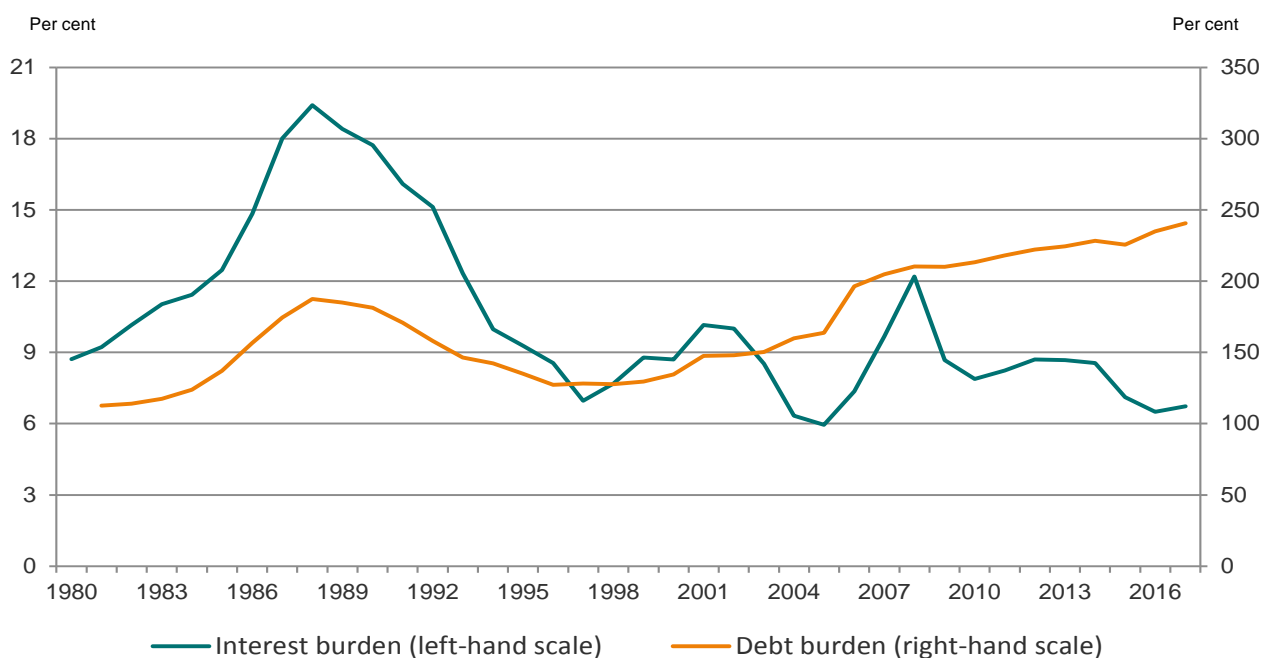
Source: Thomson Datastream, Statistics Norway

4.1.10 House prices



Source: Real Estate Norway, Finn.no, Eiendomsverdi AS, NEF, Statistics Norway and DNB Markets

4.1.11 Household interest burden ¹⁾ and debt burden ²⁾



1) Interest expenses after tax as a percentage of disposable income.

2) Loan debt as a percentage of disposable income.

Source: Statistics Norway, DNB Markets

Appendix

Disclosure for main features of regulatory capital instruments

Disclosure of main features of regulatory capital instruments as at 30 June 2017

	Ordinary shares	NOK Notes	NOK Notes	Additional Tier 1 capital	USD Notes	USD Notes
1. Issuer	DNB Group	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA
2. Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	NO0010031479	NO0010730708	NO0010767957	XSI207306652	XSI150606676	XSI150606676
3. Governing law for the instrument	Norway	English ⁹⁾	English ⁹⁾	English ⁹⁾	English ⁹⁾	English ⁹⁾
Regulatory treatment:						
4. Transitional rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
5. Post-transitional rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
6. Eligible at ind. company/group & ind. company level	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group
7. Instrument type	Common shares	Other additional Tier 1	Other additional Tier 1	Other additional Tier 1	Other additional Tier 1	Other additional Tier 1
8. Amount recognised in regulatory capital (in NOK million as at 31 March 2017)	38 895	2 150	1 400	5 903	6 120	6 120
9. Par value of instrument (amounts in million in the relevant currency and in NOK million)	N/A	NOK 2 150	NOK 1 400	USD 750, NOK 5 903	USD 750, NOK 6 120	USD 750, NOK 6 120
9a. Issue price	Various	100	100	100	100	100
9b. Redemption price	N/A	100	100	100	100	100
10. Accounting classification	Shareholder's equity	Equity	Equity	Equity	Equity	Equity
11. Original date of issuance	N/A	26 February 2015	27 June 2016	26 March 2015	18 October 2016	18 October 2016
12. Perpetual or dated	N/A	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13. Original maturity date	N/A	NA	NA	NA	NA	NA
14. Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes	Yes
15. Optional call date, contingent call dates and redemption amount	N/A	26 February 2020 at par	27 June 2021 at par	26 March 2020 at par	26 March 2022 at par	26 March 2022 at par
16. Subsequent call dates, if applicable	N/A	The issuer has the right to call at every interest payment date thereafter ⁹⁾	The issuer has the right to call at every interest payment date thereafter ⁹⁾	The issuer has the right to call at every interest payment date thereafter ⁹⁾	The issuer has the right to call at every interest payment date thereafter ⁹⁾	The issuer has the right to call at every interest payment date thereafter ⁹⁾
Coupons/dividends:						
17. Fixed or floating dividend/coupon	Floating	Floating	Floating	Fixed	Fixed	Fixed
18. Coupon rate and any related index	N/A	3m Nibor +325	3m Nibor +525	5.75%. Fixed interest reset every 5 years at 5y USD MS + 407.5	6.500%. Fixed interest reset every 5 years at 5y USD MS + 508.0	6.500%. Fixed interest reset every 5 years at 5y USD MS + 508.0
19. Existence of a dividend stopper	Yes	No	No	No	No	No
20a. Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
20b. Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21. Existence of a step-up or other incentive to redeem	N/A	No	No	No	No	No
22. Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible:						
23. Convertible or non-convertible ⁴⁾	N/A	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24. If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
25. If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A
26. If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A
27. If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A
28. If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A
29. If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A
30. Write-down features	No	Yes	Yes	Yes	Yes	Yes
31. If write-down, write-down trigger (s)	N/A	Yes	Yes	Yes	Yes	Yes
32. If write-down, full or partial	N/A	Either full or partial	Either full or partial	Either full or partial	Either full or partial	Either full or partial
33. If write-down, permanent or temporary	NA	Temporary	Temporary	Temporary	Temporary	Temporary
34. If temporary write-down, description of revaluation mechanism	N/A	See footnote 10	See footnote 10	See footnote 10	See footnote 10	See footnote 10
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Subordinated loans	Subordinated loans	Subordinated loans	Subordinated loans	Subordinated loans
36. Non-compliant transitioned features	No					
37. If yes, specify non-compliant features	N/A					

See footnotes on separate page.

Disclosure of main features of regulatory capital instruments as at 30 June 2017

	Subordinated loans (part 1 of 2)			
	EUR loan 2013	EUR loan	NOK loan	NOK loan
1. Issuer	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA
2. Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	XS0974373515	XS1571331955	NO0010692511	NO0010782394
3. Governing law for the instrument	English ²⁾	English ²⁾	English ²⁾	English ²⁾
Regulatory treatment:				
4. Transitional rules	Tier 2	Tier 2	Tier 2	Tier 2
5. Post-transitional rules	Tier 2	Tier 2	Tier 2	Tier 2
6. Eligible at ind. company/group & ind. company level	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group
7. Instrument type	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt
8. Amount recognised in regulatory capital (in NOK million as at 31 March 2017)	6 812	5 967	1 250	170
9. Par value of instrument (amounts in million in the relevant currency and in NOK million)	EUR 750, NOK 5 898	EUR 650, NOK 5 751	NOK 1 400	NOK 170
9a. Issue price	99.548	99.841	100	100
9b. Redemption price	Redemption at par	Redemption at par	Redemption at par	Redemption at par
10. Accounting classification	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost
11. Original date of issuance	26 September 2013	1 March 2017	18 June 2013	19 January 2017
12. Perpetual or dated	Dated	Dated	Dated	Dated
13. Original maturity date	26 September 2023	1 March 2027	18 June 2023	19 January 2027
14. Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15. Optional call date, contingent call dates and redemption amount	26 September 2018, Call at par	1 March 2022	The interest payment date in June 2018	The interest payment date in June 2022
16. Subsequent call dates, if applicable	0	Any interest payment date thereafter	Any interest payment date after the interest payment date in June 2018	Any interest payment date thereafter
Coupons/dividends:				
17. Fixed or floating dividend/coupon	Fixed	Fixed to floating	Floating	Floating
18. Coupon rate and any related index	3%, Thereafter/ Reset period: EURO MS + 177	4.75%, Thereafter/ Reset period: 5Y EURO MS+ 115	3-month NIBOR + 170	Fixed 3.08 %. Reset/ after first call date: 3-month NIBOR + 1.75 per cent
19. Existence of a dividend stopper	No	No	No	No
20a. Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b. Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21. Existence of a step-up or other incentive to redeem	No	No	No	No
22. Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
Convertible or non-convertible:				
23. Convertible or non-convertible ⁴⁾	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24. If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25. If convertible, fully or partially	N/A	N/A	N/A	N/A
26. If convertible, conversion rate	N/A	N/A	N/A	N/A
27. If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28. If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29. If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30. Write-down features	No	No	No	No
31. If write-down, write-down trigger (s)	N/A	N/A	N/A	N/A
32. If write-down, full or partial	N/A	N/A	N/A	N/A
33. If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34. If temporary write-down, description of revaluation mechanism	N/A	N/A	N/A	N/A
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior bonds	Senior bonds	Senior bonds	Senior bonds
36. Non-compliant transitioned features	No	No	No	No
37. If yes, specify non-compliant features	N/A	N/A	N/A	N/A

See footnotes on separate page.

Disclosure of main features of regulatory capital instruments as at 30 June 2017

Subordinated loans (part 2 of 2)							
	SEK loan	SEK loan	SEK loan	SEK loan	JPY loan	JPY loan	
	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	
1. Issuer							
2. Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	XS1239410043	XS1239410712	XS1551373985	XS1551373639	NA	XS1551344705	
3. Governing law for the instrument	English ²⁾	English ²⁾	English ²⁾	English ²⁾	English ²⁾	English ²⁾	
Regulatory treatment:							
4. Transitional rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	
5. Post-transitional rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	
6. Eligible at ind. company/group & ind. company level	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	
7. Instrument type	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	
8. Amount recognised in regulatory capital (in NOK million as at 31 March 2017)	2 852	951	722	962	738	885	
9. Par value of instrument (amounts in million in the relevant currency and in NOK million)	SEK 3000	SEK 1000	SEK 750, NOK 708	SEK 1000, NOK 944	JPY 10 000, NOK 793	JPY 11 500, NOK 847	
9a. Issue price	100	100	100	100	100	100	
9b. Redemption price	Redemption at par	Redemption at par	Redemption at par	Redemption at par	Redemption at par	Redemption at par	
10. Accounting classification	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	
11. Original date of issuance	28 May 2015	28 May 2015	19 January 2017	19 January 2017	4 November 2016	19 January 2017	
12. Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	
13. Original maturity date	28 May 2025	Interest date falling in or nearest to May 2025	19 January 2027	19 January 2027	4 November 2026	19 January 2027	
14. Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	
15. Optional call date, contingent call dates and redemption amount	28 May 2020. Call at par.	28 May 2020. Call at par.	The interest payment date falling thereafter	19 January 2022	4 November 2021	19 January 2022	
16. Subsequent call dates, if applicable	N/A	N/A	Any interest payment date thereafter	Any interest payment date thereafter	Annual call thereafter	Semiannual call thereafter	
Coupons/dividends:							
17. Fixed or floating dividend/coupon	Floating	Fixed	Floating	Fixed to floating	Fixed to floating	Fixed to floating	
18. Coupon rate and any related index	3-month STIBOR + 140	1.97 %	3-month STIBOR + 170	Fixed 1.98 %, Reset/ after first call date: 3-month STIBOR + 1.70 per cent	Fixed 1.00 %, Reset/ after first call date: 6-month JPY LIBOR + 0.97 per cent	Fixed 1.04 %, Reset/ after first call date: 6-month JPY LIBOR + 0.97 per cent	
19. Existence of a dividend stopper	No	No	No	No	No	No	
20a. Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	
20b. Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	
21. Existence of a step-up or other incentive to redeem	No	No	No	No	No	No	
22. Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	
Convertible or non-convertible:							
23. Convertible or non-convertible ⁴⁾	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	
24. If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	
25. If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	
26. If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	
27. If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	
28. If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	
29. If convertible, specify issuer of instrument it converts into	No	No	No	No	No	No	
30. Write-down features	No	No	No	No	No	No	
31. If write-down, write-down trigger (s)	N/A	N/A	N/A	N/A	N/A	N/A	
32. If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A	
33. If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A	
34. If temporary write-down, description of revaluation mechanism	N/A	N/A	N/A	N/A	N/A	N/A	
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior bonds	Senior bonds	Senior bonds	Senior bonds	Senior bonds	Senior bonds	
36. Non-compliant transitioned features	No	No	No	No	No	No	
37. If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	

See footnotes on separate page.

Disclosure of main features of regulatory capital instruments as at 30 June 2017

	Perpetual loans			
	USD loan	USD loan	USD loan	YEN loan
1. Issuer	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA
2. Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	LU0001344653	GB0040940875	GB0042936166	NA
3. Governing law for the instrument	English ²⁾	English ²⁾	English ²⁾	English ¹⁾
Regulatory treatment:				
4. Transitional rules	Tier 2	Tier 2	Tier 2	Tier 2
5. Post-transitional rules	Tier 2	Tier 2	Tier 2	Tier 2
6. Eligible at ind. company/group & ind. company level	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group
7. Instrument type	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt
8. Amount recognised in regulatory capital (in NOK million as at 31 March 2017)	1 851	1 722	1 291	771
9. Par value of instrument (amounts in million in the relevant currency and in NOK million)	USD 215, NOK 1 692	USD 200, NOK 1 331	USD 150, NOK 1 769	JPY 10 000, NOK 655
9a. Issue price	99.15	100	100	100
9b. Redemption price	100	100	100	100
10. Accounting classification	Perpetual subordinated loan capital - amortised cost	Perpetual subordinated loan capital - amortised cost	Perpetual subordinated loan capital - amortised cost	Perpetual subordinated loan capital - amortised cost
11. Original date of issuance	18 November 1985	28 August 1986	21 August 1986	25 February 1999
12. Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual
13. Original maturity date				
14. Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15. Optional call date, contingent call dates and redemption amount	November 1990	August 1991	5 years after issue	February 2029
16. Subsequent call dates, if applicable	Any interest payment date thereafter	Any interest payment date thereafter	Any interest payment date thereafter	Any interest payment date thereafter
Coupons/dividends:				
17. Fixed or floating dividend/coupon	Floating	Floating	Floating	Fixed
18. Coupon rate and any related index	3m USD Libor + 25	6m USD Libor + 13	6m USD Libor + 15	4.51%, From Feb. 2029 6m YEN Libor + 1.65% p.a.
19. Existence of a dividend stopper	No	No	No	Yes
20a. Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary
20b. Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary
21. Existence of a step-up or other incentive to redeem	No	No	No	Yes ⁷⁾
22. Non-cumulative or cumulative	Non-cumulative ⁶⁾	Non-cumulative ⁶⁾	Non-cumulative ⁶⁾	Non-cumulative ⁶⁾
Convertible or non-convertible:				
23. Convertible or non-convertible ⁴⁾	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24. If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25. If convertible, fully or partially	N/A	N/A	N/A	N/A
26. If convertible, conversion rate	N/A	N/A	N/A	N/A
27. If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28. If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29. If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30. Write-down features	No	No	No	No
31. If write-down, write-down trigger (s)	N/A	N/A	N/A	N/A
32. If write-down, full or partial	N/A	N/A	N/A	N/A
33. If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34. If temporary write-down, description of revaluation mechanism	N/A	N/A	N/A	N/A
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior bonds	Senior bonds	Senior bonds	Senior bonds
36. Non-compliant transitioned features	Yes	Yes	Yes	Yes
37. If yes, specify non-compliant features	Issued before 31 December 2011	Issued before 31 December 2011	Issued before 31 December 2011	Issued before 31 December 2011

See footnotes on separate page.

Disclosure of main features of regulatory capital instruments - footnotes

- 1) Except for the subordination provisions and certain provisions relating to the payment of interest and principal, which will be governed by the laws of Norway.
- 2) Except for status and subordination which will be governed by the laws of Norway.
- 3) Under certain circumstances there will be no coupon payment if capital requirements are breached.
- 4) All subordinated debt might be written down or converted according to the Guarantee Schemes Act.
- 5) Subject to the availability of Available Distributable Funds, the Issuer undertakes to reinstate all Converted Amounts as Notes upon the occurrence of any of the following events: (i) the Issuer or DNB ASA declares or makes a dividend (in the form of cash, stock or another instrument), an interest payment or any other payment on any share capital or any obligations of the Issuer ranking or expressed to rank junior to the Notes; or (ii) the Issuer or DNB ASA (as applicable) redeems, repurchases or otherwise acquires any of its respective share capital, or any Parity Tier 1 Securities or any obligations of the Issuer ranking or expressed to rank junior to the Notes or payor makes available any moneys to a sinking fund or for redemption of any such share capital, Parity Tier 1 Securities or obligations other than as set out in Condition 3 of the "Terms and Conditions of the Notes".
- 6) Non-cumulative but cumulative under certain circumstances, e.g. dividend payment.
- 7) The borrower undertakes not to make any distribution to Holders of Primary Capital certificates of the Borrower or to other creditors ranking junior to the Lender while any arrears of interest (including any corresponding additional interest amount) remains outstanding in respect of the loan.
- 8) Subject to the outstanding principal amount of the notes being equal to their original principal amount.
- 9) The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law except that (i) the provisions relating to subordination, Write-Down and Discretionary Reinstatement and any non-contractual obligations arising out of or in connection with such provisions and (ii) any other write-down or conversion of the Notes in accordance with Norwegian law and regulation applicable to the Bank from time to time, will in each case be governed by, and construed in accordance with, Norwegian law.
- 10) Fully discretionary reinstatement pro rata with any written-down AT1 instruments that are to be reinstated out of the same profits. Subject to the maximum write-up amount and to the MDA.

