

# Fact book

DNB Group

DNB

**FOURTH  
QUARTER 2017**  
(Preliminary and unaudited)



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# Financial calendar

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## 2018

|             |                           |
|-------------|---------------------------|
| 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                   |
| 14 November | Capital markets day       |

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

## Major changes from 3Q17

### Deconsolidation of the Baltics portfolio and establishment of Luminor Group AB

On 25 August 2016, DNB and Nordea announced an agreement to combine their operations in Estonia, Latvia and Lithuania. In the period from August 2016 up to and including September 2017, all assets and liabilities related to DNB Baltics were presented as held for sale, while there were no changes in the presentation in the income statement. The reclassification was made at group level and did not affect the reporting of the Large corporates and international customers segment. Nor was the capital adequacy reporting affected. For risk reporting purpose, the Baltic portfolio was included in the loan, deposit and EAD figures in the Fact Book and in note "net impaired loans and guarantees for principal customer groups" in the financial statement.

The transaction was closed on 1 October 2017, and Luminor Group AB was established. DNB's ownership in Luminor Group is approximately 44 per cent and is presented under "investments accounted for by the equity method" in the financial statement with effect from 1 October 2017. DNB's share of the Baltics portfolio is not included in the loan, deposit or EAD figures. For capital adequacy purposes, figures for the Luminor Group are consolidated on a pro rata basis.

Historical figures have not been restated.

The tables below show the income statement and the lending and deposit volumes related to the Baltic operation up to and including 3Q17.

### Full income statement - quarterly group external figures for the Baltic operation

| Amounts in NOK million   | 3Q17         | 2Q17         | 1Q17         | 4Q16         | 3Q16         | 2Q16         | 1Q16         | 4Q15         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total interest income  | 305          | 302          | 287          | 296          | 316          | 307          | 311          | 325          |
| Total interest expenses  | (27)         | (26)         | (19)         | (29)         | (19)         | (23)         | (28)         | (23)         |
| <b>Net interest income</b>                                     | <b>278</b>   | <b>276</b>   | <b>268</b>   | <b>267</b>   | <b>297</b>   | <b>284</b>   | <b>283</b>   | <b>301</b>   |
| Commission and fee income etc.                                 | 145          | 142          | 129          | 143          | 126          | 125          | 124          | 143          |
| Commission and fee expenses etc.                               | (36)         | (35)         | (29)         | (34)         | (34)         | (31)         | (29)         | (34)         |
| Net gains on financial instruments at fair value <sup>1)</sup> | 10           | 24           | 32           | 21           | (14)         | (6)          | 21           | 194          |
| Profit from investments accounted for by the equity method     |              |              |              | 0            | 0            | 0            | (1)          | (0)          |
| Net gains on investment properties                             | (7)          | (19)         | (2)          | (21)         | (19)         | (19)         | (11)         | (42)         |
| Other income   | 25           | 11           | 10           | 13           | 30           | 24           | 24           | 19           |
| <b>Net other operating income</b>                              | <b>136</b>   | <b>123</b>   | <b>141</b>   | <b>122</b>   | <b>89</b>    | <b>93</b>    | <b>128</b>   | <b>280</b>   |
| <b>Total income</b>  | <b>415</b>   | <b>399</b>   | <b>409</b>   | <b>389</b>   | <b>386</b>   | <b>377</b>   | <b>411</b>   | <b>582</b>   |
| Salaries and other personnel expenses                          | (122)        | (119)        | (108)        | (113)        | (104)        | (113)        | (121)        | (122)        |
| Other expenses   | (103)        | (90)         | (101)        | (108)        | (98)         | (105)        | (117)        | (137)        |
| Depreciation and impairment of fixed and intangible assets     | (19)         | (19)         | (18)         | (20)         | (32)         | (19)         | (19)         | (21)         |
| <b>Total operating expenses</b>                                | <b>(243)</b> | <b>(228)</b> | <b>(228)</b> | <b>(241)</b> | <b>(233)</b> | <b>(237)</b> | <b>(257)</b> | <b>(280)</b> |
| <b>Pre-tax operating profit before impairment</b>              | <b>172</b>   | <b>171</b>   | <b>181</b>   | <b>148</b>   | <b>152</b>   | <b>140</b>   | <b>155</b>   | <b>302</b>   |
| Net gains on fixed and intangible assets                       | (3)          | 1            | 6            | (4)          | 15           | 4            | 1            | 0            |
| Impairment of loans and guarantees                             | 34           | 33           | (2)          | (51)         | 1            | (36)         | (23)         | (30)         |
| <b>Pre-tax operating profit</b>                                | <b>203</b>   | <b>205</b>   | <b>185</b>   | <b>93</b>    | <b>168</b>   | <b>108</b>   | <b>133</b>   | <b>272</b>   |
| Tax expense  | (15)         | (22)         | (12)         | (5)          | (16)         | (5)          | (13)         | 6            |
| Profit from operations held for sale, after taxes              | (0)          | (0)          | (0)          | (0)          | (0)          | (0)          | 3            |              |
| <b>Profit for the period</b>                                   | <b>188</b>   | <b>183</b>   | <b>173</b>   | <b>88</b>    | <b>153</b>   | <b>103</b>   | <b>123</b>   | <b>278</b>   |

### Development in volumes - end of period figures for the Baltic operation

| Amounts in NOK million  | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|-------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Loans to customers      | 48 068           | 47 933          | 45 921           | 45 007          | 45 887           | 47 024          | 46 597           | 47 694          |
| Deposits from customers | 38 260           | 38 330          | 36 911           | 36 464          | 34 804           | 35 192          | 35 514           | 37 191          |

### Other changes

Expired table: 1.1.12 Assets and liabilities held for sale

New table 1.10.7 Cross-sectoral financial group

Changes in table 2.8.10 Solvency II margin

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Net other operating income

Operating expenses

Loans

Impairment of loans and guarantees

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Exposure at default and risk classification

Liquidity and funding

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### 1.1.1 Income statement - condensed <sup>1)</sup>

| <i>Amounts in NOK million</i>   | 4Q17         | 3Q17         | 2Q17         | 1Q17         | 4Q16         | 3Q16         | 2Q16         | 1Q16         | 4Q15         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income   | 8 863        | 9 007        | 9 031        | 8 521        | 8 372        | 8 481        | 8 544        | 8 713        | 9 062        |
| <i>Net commissions and fees</i>                                       | 2 064        | 2 150        | 2 161        | 2 073        | 2 136        | 2 016        | 2 136        | 1 991        | 2 082        |
| <i>Net gains on financial instruments at fair value <sup>2)</sup></i> | 1 693        | 1 065        | 982          | 808          | 1 689        | 1 411        | 1 029        | 2 384        | 2 164        |
| <i>Net financial and risk result, DNB Livsforsikring</i>              | 266          | 335          | 454          | 240          | 232          | 154          | 166          | 112          | (681)        |
| <i>Net insurance result, DNB Forsikring</i>                           | 164          | 176          | 189          | 155          | 181          | 148          | 204          | 115          | 132          |
| <i>Other operating income</i>   | 228          | 197          | 196          | 123          | (9)          | 200          | 1 418        | 340          | 129          |
| Net other operating income, total <sup>3)</sup>                       | 4 415        | 3 922        | 3 982        | 3 399        | 4 230        | 3 929        | 4 952        | 4 942        | 3 825        |
| Total income  | 13 278       | 12 929       | 13 014       | 11 920       | 12 602       | 12 409       | 13 496       | 13 655       | 12 888       |
| Operating expenses  | (5 346)      | (5 321)      | (5 518)      | (5 243)      | (5 213)      | (5 042)      | (5 281)      | (5 157)      | (5 437)      |
| Restructuring costs and non-recurring effects                         | (672)        | (199)        | (97)         | (197)        | 19           | (1)          | (104)        | (553)        | 1 811        |
| Pre-tax operating profit before impairment                            | 7 260        | 7 409        | 7 399        | 6 479        | 7 409        | 7 366        | 8 111        | 7 945        | 9 262        |
| Net gains on fixed and intangible assets                              | (35)         | 750          | 17           | 6            | (12)         | 20           | (20)         | (6)          | (9)          |
| Impairment of loans and guarantees                                    | (402)        | (867)        | (597)        | (562)        | (1 753)      | (2 176)      | (2 321)      | (1 174)      | (1 420)      |
| Pre-tax operating profit  | 6 823        | 7 292        | 6 819        | 5 923        | 5 644        | 5 209        | 5 770        | 6 764        | 7 833        |
| Tax expense   | (446)        | (1 677)      | (1 568)      | (1 362)      | (290)        | (1 130)      | (1 190)      | (1 529)      | (1 077)      |
| Profit from operations held for sale, after taxes                     | (3)          | 33           | (14)         | (17)         | 26           | 1            | (10)         | (13)         | 28           |
| <b>Profit for the period</b>  | <b>6 374</b> | <b>5 648</b> | <b>5 237</b> | <b>4 544</b> | <b>5 380</b> | <b>4 080</b> | <b>4 569</b> | <b>5 222</b> | <b>6 784</b> |
| <b>Portion attributable to shareholders</b>                           | <b>6 132</b> | <b>5 430</b> | <b>5 000</b> | <b>4 304</b> | <b>5 143</b> | <b>3 952</b> | <b>4 454</b> | <b>5 107</b> | <b>6 658</b> |

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   | 4Q17  | 3Q17  | 2Q17  | 1Q17  | 4Q16  | 3Q16  | 2Q16  | 1Q16  | 4Q15  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Customer revenues in DNB Markets   | 600   | 573   | 587   | 588   | 631   | 583   | 665   | 562   | 628   |
| Trading revenues in DNB Markets<br>(excl. CVA/DVA/FVA and credit spread effects) | 551   | 516   | 393   | 503   | 790   | 639   | 671   | 464   | 782   |
| Credit spread effects on bonds in DNB Markets                                    | (23)  | 127   | 86    | 185   | (24)  | 296   | 67    | (114) | (235) |
| Financial guarantees   | 246   | 300   | 192   | 168   | 103   | 187   | 110   | 194   | 187   |
| Basis swaps <sup>1)</sup>  | 62    | (54)  | (60)  | (620) | (713) | (444) | (388) | 1 003 | (4)   |
| CVA/DVA/FVA <sup>2)</sup>  | 94    | 128   | (0)   | 48    | 321   | 328   | (533) | (93)  | 367   |
| Exchange rate effects on additional Tier 1 capital                               | 330   | (624) | (296) | (25)  | 794   | (282) | 71    | (389) | 212   |
| Other mark-to-market adjustments   | (166) | 98    | 80    | (39)  | (214) | 104   | 367   | 757   | 227   |
| Net gains on financial instruments at fair value                                 | 1 694 | 1 065 | 982   | 808   | 1 689 | 1 411 | 1 029 | 2 384 | 2 164 |

### Full year figures

| Amounts in NOK million   | 2017  | 2016  | 2015  | 2014  | 2013    |
|--|-------|-------|-------|-------|---------|
| Customer revenues in DNB Markets   | 2 348 | 2 441 | 2 331 | 1 908 | 1 810   |
| Trading revenues in DNB Markets<br>(excl. CVA/DVA/FVA and credit spread effects) | 1 963 | 2 563 | 2 207 | 1 282 | 1 895   |
| Credit spread effects on bonds in DNB Markets                                    | 375   | 225   | (809) | 302   | 134     |
| Financial guarantees   | 907   | 595   | 876   | 879   | 828     |
| Basis swaps <sup>1)</sup>  | (672) | (542) | 2 685 | 394   | (1 363) |
| CVA/DVA/FVA <sup>2)</sup>  | 270   | 22    | 181   | (597) | -       |
| Exchange rate effects on additional Tier 1 capital                               | (616) | (624) | 197   |       |         |
| Other mark-to-market adjustments   | (25)  | 1 834 | 1 016 | 1 149 | 1 729   |
| Net gains on financial instruments at fair value                                 | 4 549 | 6 513 | 8 683 | 5 317 | 5 032   |

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   | 4Q17           | 3Q17           | 2Q17           | 1Q17           | 4Q16           | 3Q16           | 2Q16           | 1Q16           | 4Q15           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total interest income  | 13 283         | 13 651         | 13 709         | 13 223         | 13 273         | 12 976         | 12 880         | 13 295         | 13 934         |
| Total interest expenses  | (4 420)        | (4 644)        | (4 677)        | (4 702)        | (4 901)        | (4 495)        | (4 336)        | (4 582)        | (4 872)        |
| <b>Net interest income</b>                                     | <b>8 863</b>   | <b>9 007</b>   | <b>9 031</b>   | <b>8 521</b>   | <b>8 372</b>   | <b>8 481</b>   | <b>8 544</b>   | <b>8 713</b>   | <b>9 062</b>   |
| Commission and fee income etc.                                 | 3 255          | 3 054          | 3 026          | 2 944          | 2 814          | 2 851          | 2 992          | 2 794          | 2 916          |
| Commission and fee expenses etc.                               | (1 191)        | (904)          | (866)          | (871)          | (678)          | (835)          | (856)          | (803)          | (834)          |
| Net gains on financial instruments at fair value <sup>1)</sup> | 1 693          | 1 065          | 982            | 808            | 1 689          | 1 411          | 1 029          | 2 384          | 2 164          |
| Net financial result, DNB Livsforsikring                       | 168            | 147            | 372            | 117            | (57)           | 45             | (68)           | 9              | (928)          |
| Net risk result, DNB Livsforsikring                            | 98             | 187            | 83             | 123            | 290            | 109            | 234            | 103            | 247            |
| Net insurance result, DNB Forsikring                           | 164            | 176            | 189            | 155            | 181            | 148            | 204            | 115            | 132            |
| Profit from investments accounted for by the equity method     | (74)           | (17)           | 23             | (45)           | (45)           | (0)            | 1 148          | 86             | (28)           |
| Net gains on investment properties                             | 146            | (3)            | (14)           | 14             | (7)            | (5)            | (18)           | (5)            | 122            |
| Other income   | 155            | 217            | 187            | 154            | 44             | 205            | 287            | 259            | 35             |
| <b>Net other operating income</b>                              | <b>4 415</b>   | <b>3 922</b>   | <b>3 982</b>   | <b>3 399</b>   | <b>4 230</b>   | <b>3 929</b>   | <b>4 952</b>   | <b>4 942</b>   | <b>3 825</b>   |
| <b>Total income</b>  | <b>13 278</b>  | <b>12 929</b>  | <b>13 014</b>  | <b>11 920</b>  | <b>12 602</b>  | <b>12 409</b>  | <b>13 496</b>  | <b>13 655</b>  | <b>12 888</b>  |
| Salaries and other personnel expenses                          | (3 023)        | (3 056)        | (3 049)        | (3 056)        | (2 842)        | (2 874)        | (2 911)        | (3 277)        | (1 106)        |
| Other expenses   | (1 977)        | (1 938)        | (2 088)        | (1 874)        | (1 828)        | (1 694)        | (1 965)        | (1 765)        | (1 931)        |
| Depreciation and impairment of fixed and intangible assets     | (1 018)        | (525)          | (478)          | (510)          | (524)          | (475)          | (510)          | (668)          | (590)          |
| <b>Total operating expenses</b>                                | <b>(6 018)</b> | <b>(5 520)</b> | <b>(5 615)</b> | <b>(5 441)</b> | <b>(5 194)</b> | <b>(5 043)</b> | <b>(5 385)</b> | <b>(5 711)</b> | <b>(3 626)</b> |
| <b>Pre-tax operating profit before impairment</b>              | <b>7 260</b>   | <b>7 409</b>   | <b>7 399</b>   | <b>6 479</b>   | <b>7 409</b>   | <b>7 366</b>   | <b>8 111</b>   | <b>7 945</b>   | <b>9 262</b>   |
| Net gains on fixed and intangible assets                       | (35)           | 750            | 17             | 6              | (12)           | 20             | (20)           | (6)            | (9)            |
| Impairment of loans and guarantees                             | (402)          | (867)          | (597)          | (562)          | (1 753)        | (2 176)        | (2 321)        | (1 174)        | (1 420)        |
| <b>Pre-tax operating profit</b>                                | <b>6 823</b>   | <b>7 292</b>   | <b>6 819</b>   | <b>5 923</b>   | <b>5 644</b>   | <b>5 209</b>   | <b>5 770</b>   | <b>6 764</b>   | <b>7 833</b>   |
| Tax expense  | (446)          | (1 677)        | (1 568)        | (1 362)        | (290)          | (1 130)        | (1 190)        | (1 529)        | (1 077)        |
| Profit from operations held for sale, after taxes              | (3)            | 33             | (14)           | (17)           | 26             | 1              | (10)           | (13)           | 28             |
| <b>Profit for the period</b>                                   | <b>6 374</b>   | <b>5 648</b>   | <b>5 237</b>   | <b>4 544</b>   | <b>5 380</b>   | <b>4 080</b>   | <b>4 569</b>   | <b>5 222</b>   | <b>6 784</b>   |
| Portion attributable to shareholders                           | 6 132          | 5 430          | 5 000          | 4 304          | 5 143          | 3 952          | 4 454          | 5 107          | 6 658          |
| Portion attributable to additional Tier 1 capital holders      | 243            | 218            | 238            | 240            | 238            | 128            | 115            | 115            | 126            |
| <b>Profit for the period</b>                                   | <b>6 374</b>   | <b>5 648</b>   | <b>5 237</b>   | <b>4 544</b>   | <b>5 380</b>   | <b>4 080</b>   | <b>4 569</b>   | <b>5 222</b>   | <b>6 784</b>   |
| Earnings/diluted earnings per share (NOK)                      | 3.79           | 3.34           | 3.07           | 2.64           | 3.16           | 2.43           | 2.74           | 3.14           | 4.11           |
| Earnings per share excluding operations held for sale (NOK)    | 3.79           | 3.32           | 3.08           | 2.65           | 3.14           | 2.43           | 2.74           | 3.15           | 4.10           |

#### Average exchange rates in the period:

|         |      |      |      |      |      |      |      |      |      |
|---------|------|------|------|------|------|------|------|------|------|
| EUR/NOK | 9.61 | 9.34 | 9.37 | 8.99 | 9.05 | 9.29 | 9.32 | 9.52 | 9.33 |
| USD/NOK | 8.17 | 7.97 | 8.51 | 8.45 | 8.39 | 8.32 | 8.26 | 8.64 | 8.52 |

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  | 4Q17         | 3Q17           | 2Q17         | 1Q17         | 4Q16         | 3Q16           | 2Q16           | 1Q16           | 4Q15         |
|---|--------------|----------------|--------------|--------------|--------------|----------------|----------------|----------------|--------------|
| <b>Profit for the period</b>  | <b>6 374</b> | <b>5 648</b>   | <b>5 237</b> | <b>4 544</b> | <b>5 380</b> | <b>4 080</b>   | <b>4 569</b>   | <b>5 222</b>   | <b>6 784</b> |
| Actuarial gains and losses  | (104)        | 0              |              |              | (23)         | (122)          |                | (39)           | 31           |
| Property revaluation  | 5            | (35)           | (28)         | 22           | 37           | 7              | 1              | 2              | (282)        |
| Items allocated to customers (life insurance)   | (5)          | 35             | 28           | (22)         | (37)         | (7)            | (1)            | (2)            | 282          |
| Items that will not be reclassified to the income statement                                   | (104)        | 0              | 0            | 0            | (23)         | (122)          | 0              | (39)           | 31           |
| Currency translation of foreign operations  | 2 739        | (2 975)        | 895          | 531          | 3 562        | (4 321)        | (1 340)        | (4 376)        | 2 369        |
| Currency translation reserve reclassified to the income statement <sup>1)</sup>               | (1 306)      |                |              |              |              |                | (43)           |                |              |
| Hedging of net investments  | (1 640)      | 1 894          | (516)        | (252)        | (2 415)      | 2 950          | 843            | 2 968          | (1 578)      |
| Hedging reserve reclassified to the income statement <sup>1)</sup>                            | 886          |                |              |              |              |                |                |                |              |
| Investments according to the equity method <sup>2)</sup>                                      | 41           | 20             | 12           | 87           | 4            | 4              |                | (33)           | 889          |
| Investments according to the equity method reclassified to the income statement <sup>2)</sup> |              |                |              |              |              |                | (855)          |                |              |
| Items that may subsequently be reclassified to the income statement                           | 719          | (1 062)        | 391          | 366          | 1 151        | (1 367)        | (1 395)        | (1 442)        | 1 680        |
| <b>Other comprehensive income for the period (net of tax)</b>                                 | <b>615</b>   | <b>(1 062)</b> | <b>391</b>   | <b>366</b>   | <b>1 128</b> | <b>(1 489)</b> | <b>(1 395)</b> | <b>(1 480)</b> | <b>1 710</b> |
| <b>Comprehensive income for the period</b>  | <b>6 989</b> | <b>4 586</b>   | <b>5 629</b> | <b>4 910</b> | <b>6 509</b> | <b>2 591</b>   | <b>3 173</b>   | <b>3 742</b>   | <b>8 494</b> |

1) In the fourth quarter of 2017, currency translation reserves (accumulated gains) of NOK 1 307 million and hedging reserves (accumulated losses) of NOK 1 224 million relating to the Baltics were reclassified to the income statement and recognised in "Net gains on fixed and intangible assets". Tax relating to the Baltics hedging reserve amounted to NOK 338 million, which was reclassified to the income statement and recognised in "Tax expense".

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.

### 1.1.5 Income statement - five years

| Amounts in NOK million   | 2017            | 2016            | 2015            | 2014            | 2013            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total interest income  | 53 865          | 52 424          | 57 532          | 61 445          | 60 404          |
| Total interest expenses  | (18 442)        | (18 314)        | (22 174)        | (28 959)        | (30 212)        |
| <b>Net interest income</b>                                     | <b>35 422</b>   | <b>34 110</b>   | <b>35 358</b>   | <b>32 487</b>   | <b>30 192</b>   |
| Commission and fee income etc.                                 | 12 279          | 11 452          | 11 963          | 11 565          | 10 916          |
| Commission and fee expenses etc.                               | (3 831)         | (3 172)         | (3 101)         | (2 597)         | (2 379)         |
| Net gains on financial instruments at fair value <sup>1)</sup> | 4 548           | 6 513           | 8 683           | 5 317           | 5 032           |
| Net financial result, DNB Livsforsikring                       | 804             | (72)            | (1 251)         | (79)            | 554             |
| Net risk result, DNB Livsforsikring                            | 491             | 736             | 861             | 688             | 467             |
| Net insurance result, DNB Forsikring                           | 683             | 648             | 534             | 491             | 418             |
| Profit from investments accounted for by the equity method     | (112)           | 1 189           | (72)            | 226             | 362             |
| Net gains on investment properties                             | 143             | (35)            | 269             | 82              | (86)            |
| Other income   | 713             | 795             | 762             | 1 182           | 1 144           |
| <b>Net other operating income</b>                              | <b>15 718</b>   | <b>18 053</b>   | <b>18 648</b>   | <b>16 877</b>   | <b>16 427</b>   |
| <b>Total income</b>  | <b>51 140</b>   | <b>52 163</b>   | <b>54 006</b>   | <b>49 363</b>   | <b>46 619</b>   |
| Salaries and other personnel expenses                          | (12 184)        | (11 904)        | (9 822)         | (10 872)        | (11 307)        |
| Other expenses   | (7 878)         | (7 251)         | (7 790)         | (7 645)         | (7 850)         |
| Depreciation and impairment of fixed and intangible assets     | (2 531)         | (2 177)         | (2 298)         | (2 158)         | (2 719)         |
| <b>Total operating expenses</b>                                | <b>(22 593)</b> | <b>(21 333)</b> | <b>(19 910)</b> | <b>(20 675)</b> | <b>(21 875)</b> |
| <b>Pre-tax operating profit before impairment</b>              | <b>28 547</b>   | <b>30 830</b>   | <b>34 096</b>   | <b>28 689</b>   | <b>24 744</b>   |
| Net gains on fixed and intangible assets                       | 738             | (19)            | 45              | 52              | 151             |
| Impairment of loans and guarantees                             | (2 428)         | (7 424)         | (2 270)         | (1 639)         | (2 185)         |
| <b>Pre-tax operating profit</b>                                | <b>26 858</b>   | <b>23 387</b>   | <b>31 871</b>   | <b>27 102</b>   | <b>22 709</b>   |
| Tax expense  | (5 054)         | (4 140)         | (7 048)         | (6 463)         | (5 202)         |
| Profit from operations held for sale, after taxes              | (1)             | 4               | (51)            | (22)            | 4               |
| <b>Profit for the period</b>                                   | <b>21 803</b>   | <b>19 251</b>   | <b>24 772</b>   | <b>20 617</b>   | <b>17 511</b>   |
| Portion attributable to shareholders                           | 20 865          | 18 656          | 24 398          | 20 617          | 17 511          |
| Portion attributable to additional Tier 1 capital holders      | 938             | 595             | 374             |                 |                 |
| <b>Profit for the period</b>                                   | <b>21 803</b>   | <b>19 251</b>   | <b>24 772</b>   | <b>20 617</b>   | <b>17 511</b>   |
| Earnings/diluted earnings per share (NOK)                      | 12.84           | 11.46           | 14.98           | 12.67           | 10.75           |
| Earnings per share excluding operations held for sale (NOK)    | 12.84           | 11.46           | 15.01           | 12.68           | 10.75           |

#### Average exchange rates in the period:

|         |      |      |      |      |      |
|---------|------|------|------|------|------|
| EUR/NOK | 9.33 | 9.29 | 8.95 | 8.36 | 7.81 |
| USD/NOK | 8.27 | 8.40 | 8.07 | 6.30 | 5.88 |

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  | 2017          | 2016           | 2015          | 2014          | 2013          |
|---|---------------|----------------|---------------|---------------|---------------|
| <b>Profit for the period</b>  | <b>21 803</b> | <b>19 251</b>  | <b>24 772</b> | <b>20 617</b> | <b>17 511</b> |
| Actuarial gains and losses  | (104)         | (183)          | 673           | (2 101)       | (469)         |
| Property revaluation  | (35)          | 47             | (204)         | 191           | 124           |
| Items allocated to customers (life insurance)   | 35            | (47)           | 204           | (191)         | (124)         |
| Items that will not be reclassified to the income statement                                   | (104)         | (183)          | 673           | (2 101)       | (469)         |
| Currency translation of foreign operations  | 1 190         | (6 476)        | 9 612         | 7 149         | 3 478         |
| Currency translation reserve reclassified to the income statement <sup>1)</sup>               | (1 306)       | (43)           |               |               |               |
| Hedging of net investments  | (515)         | 4 346          | (6 203)       | (4 526)       | (2 425)       |
| Hedging reserve reclassified to the income statement <sup>1)</sup>                            | 886           |                |               |               |               |
| Investments according to the equity method <sup>2)</sup>                                      | 160           | (25)           | 889           |               |               |
| Investments according to the equity method reclassified to the income statement <sup>2)</sup> |               | (855)          |               |               |               |
| Items that may subsequently be reclassified to the income statement                           | 414           | (3 052)        | 4 298         | 2 623         | 1 053         |
| <b>Other comprehensive income for the period (net of tax)</b>                                 | <b>311</b>    | <b>(3 236)</b> | <b>4 972</b>  | <b>522</b>    | <b>584</b>    |
| <b>Comprehensive income for the period</b>  | <b>22 113</b> | <b>16 015</b>  | <b>29 744</b> | <b>21 138</b> | <b>18 096</b> |

1) In the fourth quarter of 2017, currency translation reserves (accumulated gains) of NOK 1 307 million and hedging reserves (accumulated losses) of NOK 1 224 million relating to the Baltics were reclassified to the income statement and recognised in "Net gains on fixed and intangible assets". Tax relating to the Baltics hedging reserve amounted to NOK 338 million, which was reclassified to the income statement and recognised in "Tax expense".

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.

### 1.1.7 Full balance sheet - quarterly figures

|   | 31 Dec.<br>2017  | 30 Sept.<br>2017 | 30 June<br>2017  | 31 March<br>2017 | 31 Dec.<br>2016  | 30 Sept.<br>2016 | 30 June<br>2016  | 31 March<br>2016 | 31 Dec.<br>2015  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Amounts in NOK million</i>                                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Assets</b>   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Cash and deposits with central banks                              | 151 595          | 325 842          | 265 552          | 368 518          | 208 263          | 175 212          | 154 438          | 166 587          | 19 317           |
| Due from credit institutions                                      | 239 328          | 156 146          | 160 749          | 200 848          | 176 442          | 192 931          | 214 902          | 180 065          | 301 216          |
| Loans to customers  | 1 545 415        | 1 536 167        | 1 551 738        | 1 531 096        | 1 509 078        | 1 484 756        | 1 542 285        | 1 534 902        | 1 542 744        |
| Commercial paper and bonds at fair value                          | 338 713          | 273 921          | 274 258          | 298 948          | 296 642          | 302 291          | 300 706          | 286 273          | 289 695          |
| Shareholdings   | 28 220           | 26 683           | 26 794           | 28 535           | 22 512           | 21 205           | 25 626           | 27 578           | 19 341           |
| Financial assets, customers bearing the risk                      | 75 206           | 70 690           | 67 680           | 64 688           | 60 220           | 56 417           | 52 893           | 50 967           | 49 679           |
| Financial derivatives   | 132 349          | 130 282          | 139 643          | 141 449          | 157 940          | 187 023          | 198 953          | 215 743          | 203 029          |
| Commercial paper and bonds, held to maturity                      | 83 894           | 85 819           | 88 191           | 92 433           | 94 008           | 95 963           | 99 489           | 100 516          | 105 224          |
| Investment properties   | 16 306           | 15 919           | 16 139           | 15 967           | 15 912           | 15 493           | 16 419           | 15 416           | 16 734           |
| Investments accounted for by the equity method                    | 15 609           | 8 562            | 7 936            | 7 926            | 7 768            | 7 901            | 7 869            | 9 715            | 9 525            |
| Intangible assets   | 5 600            | 5 904            | 5 854            | 5 767            | 5 814            | 5 759            | 5 903            | 5 963            | 6 076            |
| Deferred tax assets   | 769              | 1 180            | 1 391            | 1 406            | 1 404            | 943              | 1 061            | 1 100            | 1 151            |
| Fixed assets  | 8 704            | 8 353            | 8 317            | 8 125            | 7 949            | 7 898            | 8 565            | 8 717            | 8 860            |
| Assets held for sale  | 0                | 70 359           | 55 950           | 53 365           | 52 541           | 52 482           | 180              | 204              | 200              |
| Other assets  | 56 559           | 51 204           | 52 616           | 51 375           | 36 709           | 45 210           | 35 867           | 35 338           | 25 739           |
| <b>Total assets</b>   | <b>2 698 268</b> | <b>2 767 030</b> | <b>2 722 809</b> | <b>2 870 447</b> | <b>2 653 201</b> | <b>2 651 484</b> | <b>2 665 157</b> | <b>2 639 081</b> | <b>2 598 530</b> |
| <b>Liabilities and equity</b>                                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Due to credit institutions  | 224 107          | 246 222          | 215 633          | 273 010          | 212 882          | 192 979          | 189 824          | 160 778          | 161 537          |
| Deposits from customers   | 971 137          | 1 010 092        | 1 008 878        | 1 016 896        | 934 897          | 917 952          | 961 138          | 927 559          | 944 428          |
| Financial derivatives   | 110 262          | 107 731          | 111 659          | 111 697          | 130 161          | 155 491          | 156 121          | 173 398          | 154 663          |
| Debt securities issued  | 780 247          | 756 134          | 758 402          | 832 521          | 765 869          | 784 953          | 811 523          | 829 997          | 804 928          |
| Insurance liabilities, customers bearing the risk                 | 75 206           | 70 690           | 67 680           | 64 688           | 60 220           | 56 417           | 52 893           | 50 967           | 49 679           |
| Liabilities to life insurance policyholders in DNB Livsforsikring | 208 500          | 208 844          | 209 230          | 209 354          | 208 160          | 210 425          | 210 027          | 210 230          | 208 726          |
| Insurance liabilities, DNB Forsikring                             | 2 043            | 2 047            | 2 206            | 2 259            | 1 892            | 2 057            | 2 108            | 2 125            | 1 846            |
| Payable taxes   | 4 599            | 4 000            | 1 900            | 9 222            | 8 874            | 7 093            | 5 080            | 4 186            | 2 093            |
| Deferred taxes  | 2 574            | 4 003            | 3 915            | 3 891            | 3 816            | 7 860            | 7 950            | 7 780            | 7 672            |
| Other liabilities   | 68 078           | 62 045           | 58 603           | 60 983           | 44 568           | 49 806           | 43 174           | 44 009           | 37 675           |
| Liabilities held for sale   | 0                | 51 001           | 43 106           | 41 671           | 41 243           | 39 547           | 59               | 56               | 71               |
| Provisions  | 1 812            | 1 940            | 2 129            | 1 885            | 2 094            | 1 762            | 1 725            | 1 570            | 1 285            |
| Pension commitments   | 3 267            | 3 047            | 2 974            | 2 867            | 2 756            | 3 003            | 2 757            | 2 684            | 2 549            |
| Subordinated loan capital   | 29 538           | 28 554           | 29 426           | 28 795           | 29 347           | 28 202           | 29 498           | 29 826           | 30 953           |
| <b>Total liabilities</b>  | <b>2 481 371</b> | <b>2 556 351</b> | <b>2 515 741</b> | <b>2 659 740</b> | <b>2 446 779</b> | <b>2 457 549</b> | <b>2 473 878</b> | <b>2 445 165</b> | <b>2 408 105</b> |
| Share capital   | 16 180           | 16 227           | 16 288           | 16 283           | 16 286           | 16 288           | 16 282           | 16 268           | 16 257           |
| Share premium   | 22 609           | 22 609           | 22 609           | 22 609           | 22 609           | 22 609           | 22 609           | 22 609           | 22 609           |
| Additional Tier 1 capital   | 16 159           | 15 960           | 15 787           | 15 594           | 15 952           | 9 641            | 9 559            | 8 067            | 8 353            |
| Other equity  | 161 948          | 155 883          | 152 385          | 156 221          | 151 576          | 145 397          | 142 829          | 146 972          | 143 207          |
| <b>Total equity</b>   | <b>216 897</b>   | <b>210 679</b>   | <b>207 069</b>   | <b>210 707</b>   | <b>206 423</b>   | <b>193 935</b>   | <b>191 279</b>   | <b>193 916</b>   | <b>190 425</b>   |
| <b>Total liabilities and equity</b>                               | <b>2 698 268</b> | <b>2 767 030</b> | <b>2 722 809</b> | <b>2 870 447</b> | <b>2 653 201</b> | <b>2 651 484</b> | <b>2 665 157</b> | <b>2 639 081</b> | <b>2 598 530</b> |

#### Exchange rates at the end of the period:

|         |      |      |      |      |      |      |      |      |      |
|---------|------|------|------|------|------|------|------|------|------|
| EUR/NOK | 9.83 | 9.41 | 9.59 | 9.18 | 9.08 | 8.97 | 9.31 | 9.44 | 9.60 |
| USD/NOK | 8.20 | 7.98 | 8.40 | 8.60 | 8.61 | 8.00 | 8.37 | 8.28 | 8.80 |

### 1.1.8 Balance sheet - five years

|   | 31 Dec.<br>2017  | 31 Dec.<br>2016  | 31 Dec.<br>2015  | 31 Dec.<br>2014  | 31 Dec.<br>2013  |
|---|------------------|------------------|------------------|------------------|------------------|
| <i>Amounts in NOK million</i>                                     |                  |                  |                  |                  |                  |
| <b>Assets</b>   |                  |                  |                  |                  |                  |
| Cash and deposits with central banks                              | 151 595          | 208 263          | 19 317           | 58 505           | 167 171          |
| Due from credit institutions                                      | 239 328          | 176 442          | 301 216          | 373 409          | 180 882          |
| Loans to customers  | 1 545 415        | 1 509 078        | 1 542 744        | 1 438 839        | 1 340 831        |
| Commercial paper and bonds at fair value                          | 338 713          | 296 642          | 289 695          | 268 302          | 277 764          |
| Shareholdings   | 28 220           | 22 512           | 19 341           | 26 870           | 29 826           |
| Financial assets, customers bearing the risk                      | 75 206           | 60 220           | 49 679           | 42 866           | 35 512           |
| Financial derivatives   | 132 349          | 157 940          | 203 029          | 235 736          | 130 939          |
| Commercial paper and bonds, held to maturity                      | 83 894           | 94 008           | 105 224          | 118 667          | 152 883          |
| Investment properties   | 16 306           | 15 912           | 16 734           | 30 404           | 32 753           |
| Investments accounted for by the equity method                    | 15 609           | 7 768            | 9 525            | 5 866            | 5 802            |
| Intangible assets   | 5 600            | 5 814            | 6 076            | 6 286            | 6 511            |
| Deferred tax assets   | 769              | 1 404            | 1 151            | 1 213            | 1 104            |
| Fixed assets  | 8 704            | 7 949            | 8 860            | 13 830           | 12 498           |
| Assets held for sale  | 0                | 52 541           | 200              | 692              | 225              |
| Other assets  | 56 559           | 36 709           | 25 739           | 27 855           | 30 806           |
| <b>Total assets</b>   | <b>2 698 268</b> | <b>2 653 201</b> | <b>2 598 530</b> | <b>2 649 341</b> | <b>2 405 507</b> |
| <b>Liabilities and equity</b>                                     |                  |                  |                  |                  |                  |
| Due to credit institutions  | 224 107          | 212 882          | 161 537          | 214 214          | 234 219          |
| Deposits from customers   | 971 137          | 934 897          | 944 428          | 941 534          | 867 904          |
| Financial derivatives   | 110 262          | 130 161          | 154 663          | 184 971          | 111 310          |
| Debt securities issued  | 780 247          | 765 869          | 804 928          | 812 025          | 711 555          |
| Insurance liabilities, customers bearing the risk                 | 75 206           | 60 220           | 49 679           | 42 866           | 35 512           |
| Liabilities to life insurance policyholders in DNB Livsforsikring | 208 500          | 208 160          | 208 726          | 216 577          | 230 906          |
| Insurance liabilities, DNB Forsikring                             | 2 043            | 1 892            | 1 846            | 1 737            | 1 958            |
| Payable taxes   | 4 599            | 8 874            | 2 093            | 1 723            | 3 277            |
| Deferred taxes  | 2 574            | 3 816            | 7 672            | 6 130            | 3 205            |
| Other liabilities   | 68 078           | 44 568           | 37 675           | 31 908           | 31 934           |
| Liabilities held for sale   | 0                | 41 243           | 71               | 100              | 53               |
| Provisions  | 1 812            | 2 094            | 1 285            | 1 172            | 1 454            |
| Pension commitments   | 3 267            | 2 756            | 2 549            | 6 006            | 4 001            |
| Subordinated loan capital   | 29 538           | 29 347           | 30 953           | 29 319           | 26 276           |
| <b>Total liabilities</b>  | <b>2 481 371</b> | <b>2 446 779</b> | <b>2 408 105</b> | <b>2 490 282</b> | <b>2 263 564</b> |
| Share capital   | 16 180           | 16 286           | 16 257           | 16 273           | 16 278           |
| Share premium   | 22 609           | 22 609           | 22 609           | 22 609           | 22 609           |
| Additional Tier 1 capital   | 16 159           | 15 952           | 8 353            |                  |                  |
| Other equity  | 161 948          | 151 576          | 143 207          | 120 178          | 103 057          |
| <b>Total equity</b>   | <b>216 897</b>   | <b>206 423</b>   | <b>190 425</b>   | <b>159 059</b>   | <b>141 944</b>   |
| <b>Total liabilities and equity</b>                               | <b>2 698 268</b> | <b>2 653 201</b> | <b>2 598 530</b> | <b>2 649 341</b> | <b>2 405 507</b> |

#### Exchange rates at the end of the period:

|         |      |      |      |      |      |
|---------|------|------|------|------|------|
| EUR/NOK | 9.83 | 9.08 | 9.60 | 8.98 | 8.37 |
| USD/NOK | 8.20 | 8.61 | 8.80 | 7.39 | 6.07 |

### 1.1.9 Key figures - quarterly figures

|  | 4Q17      | 3Q17      | 2Q17      | 1Q17      | 4Q16      | 3Q16      | 2Q16      | 1Q16      | 4Q15      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Interest rate analysis</b>  |           |           |           |           |           |           |           |           |           |
| 1 Combined weighted total average spread for lending and deposits (%)                      | 1.31      | 1.31      | 1.32      | 1.29      | 1.29      | 1.30      | 1.33      | 1.35      | 1.32      |
| 2 Average spread for ordinary lending to customers (%)                                     | 2.08      | 2.09      | 2.07      | 2.03      | 1.96      | 2.03      | 2.08      | 2.07      | 2.11      |
| 3 Average spread for deposits from customers (%)   | 0.13      | 0.15      | 0.19      | 0.20      | 0.25      | 0.19      | 0.18      | 0.24      | 0.12      |
| <b>Rate of return/profitability</b>  |           |           |           |           |           |           |           |           |           |
| 4 Net other operating income, per cent of total income                                     | 33.2      | 30.3      | 30.6      | 28.5      | 33.6      | 31.7      | 36.7      | 36.2      | 29.7      |
| 5 Cost/income ratio (%)  | 45.3      | 42.7      | 43.1      | 45.6      | 41.2      | 40.6      | 39.9      | 41.8      | 28.1      |
| 6 Return on equity, annualised (%)   | 12.3      | 11.2      | 10.4      | 9.1       | 10.9      | 8.5       | 9.9       | 11.2      | 14.9      |
| 7 RAROC, annualised (%)  | 9.5       | 10.6      | 10.4      | 9.6       | 10.9      | 10.9      | 12.6      | 10.3      | 11.6      |
| 8 Average equity including allocated dividend (NOK million)                                | 197 613   | 191 649   | 193 406   | 192 074   | 187 027   | 184 147   | 181 177   | 183 873   | 177 203   |
| 9 Return on average risk-weighted volume, annualised (%)                                   | 2.32      | 2.01      | 1.85      | 1.64      | 1.95      | 1.49      | 1.69      | 1.89      | 2.30      |
| <b>Financial strength at end of period</b>   |           |           |           |           |           |           |           |           |           |
| 10 Common Equity Tier 1 capital ratio, transitional rules (%) <sup>1)</sup>                | 16.4      | 16.3      | 15.8      | 15.8      | 16.0      | 15.7      | 15.2      | 15.2      | 14.4      |
| 11 Tier 1 capital ratio, transitional rules (%) <sup>1)</sup>                              | 17.9      | 17.7      | 17.3      | 17.2      | 17.6      | 16.8      | 16.2      | 16.2      | 15.3      |
| 12 Capital ratio, transitional rules (%) <sup>1)</sup>                                     | 20.0      | 19.6      | 19.2      | 19.2      | 19.5      | 18.6      | 18.2      | 18.3      | 17.8      |
| 13 Common equity Tier 1 capital at end of period (NOK million) <sup>1)</sup>               | 171 346   | 171 295   | 172 031   | 170 176   | 168 214   | 163 756   | 161 982   | 159 972   | 162 906   |
| 14 Risk-weighted volume, transitional rules (NOK million)                                  | 1 042 601 | 1 053 673 | 1 087 122 | 1 077 792 | 1 051 498 | 1 045 272 | 1 068 585 | 1 049 367 | 1 129 373 |
| <b>Loan portfolio and impairment</b>   |           |           |           |           |           |           |           |           |           |
| 15 Individual impairment relative to average net loans to customers, annualised (%)        | (0.44)    | (0.25)    | (0.14)    | (0.12)    | (0.41)    | (0.41)    | (0.42)    | (0.14)    | (0.26)    |
| 16 Impairment relative to average net loans to customers, annualised (%)                   | (0.10)    | (0.22)    | (0.15)    | (0.15)    | (0.45)    | (0.56)    | (0.61)    | (0.31)    | (0.37)    |
| 17 Net non-performing and net doubtful loans and guarantees, per cent of net loans         | 0.98      | 1.11      | 1.35      | 1.30      | 1.49      | 1.32      | 1.19      | 0.88      | 0.76      |
| 18 Net non-performing and net doubtful loans and guarantees at end of period (NOK million) | 17 277    | 19 172    | 23 567    | 23 078    | 25 654    | 22 589    | 20 685    | 14 928    | 13 982    |
| <b>Liquidity</b>   |           |           |           |           |           |           |           |           |           |
| 19 Ratio of customer deposits to net loans to customers at end of period (%)               | 62.8      | 65.8      | 65.0      | 66.4      | 62.0      | 61.8      | 62.3      | 60.4      | 61.2      |
| <b>Total assets owned or managed by DNB</b>  |           |           |           |           |           |           |           |           |           |
| 20 Customer assets under management at end of period (NOK billion)                         | 614       | 591       | 582       | 569       | 548       | 538       | 527       | 522       | 563       |
| 21 Total combined assets at end of period (NOK billion)                                    | 3 026     | 3 076     | 3 026     | 3 163     | 2 931     | 2 920     | 2 927     | 2 898     | 2 901     |
| 22 Average total assets (NOK billion)  | 2 799     | 2 815     | 2 947     | 2 866     | 2 726     | 2 779     | 2 964     | 2 896     | 3 053     |
| 23 Customer savings at end of period (NOK billion)   | 1 585     | 1 639     | 1 629     | 1 623     | 1 519     | 1 491     | 1 488     | 1 450     | 1 507     |
| <b>Staff</b>   |           |           |           |           |           |           |           |           |           |
| 24 Number of full-time positions at end of period  | 9 144     | 10 785    | 10 697    | 10 924    | 11 007    | 10 883    | 11 015    | 11 233    | 11 380    |
| <b>The DNB share</b>   |           |           |           |           |           |           |           |           |           |
| 25 Number of issued 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 Number of outstanding shares at end of period (1 000)                                   | 1 618 049 | 1 622 743 | 1 628 799 | 1 628 251 | 1 628 578 | 1 628 799 | 1 628 198 | 1 626 787 | 1 625 658 |
| 27 Average number of outstanding shares (1 000)  | 1 619 871 | 1 623 815 | 1 628 761 | 1 628 586 | 1 628 725 | 1 627 988 | 1 627 807 | 1 626 420 | 1 626 598 |
| 28 Earnings per share (NOK)  | 3.79      | 3.34      | 3.07      | 2.64      | 3.16      | 2.43      | 2.74      | 3.14      | 4.09      |
| 29 Earnings per share excl. operations held for sale (NOK)                                 | 3.79      | 3.32      | 3.08      | 2.65      | 3.14      | 2.43      | 2.74      | 3.15      | 4.08      |
| 30 Dividend per share (NOK)  | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| 31 Total shareholder's return (%)  | (1.2)     | 17.9      | 8.8       | 6.0       | 28.1      | 10.1      | 6.1       | (10.9)    | 1.9       |
| 32 Dividend yield (%)  | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| 33 Book value per share incl. allocated dividend at end of period (NOK)                    | 124.06    | 119.99    | 117.44    | 119.83    | 116.95    | 113.15    | 111.61    | 114.24    | 112.00    |
| 34 Share price at end of period (NOK)  | 152.10    | 160.50    | 142.00    | 136.10    | 128.40    | 104.70    | 99.35     | 97.85     | 109.80    |
| 35 Price/earnings ratio  | 10.05     | 12.00     | 11.57     | 12.87     | 10.17     | 10.78     | 9.08      | 7.79      | 6.71      |
| 36 Price/book value  | 1.23      | 1.34      | 1.21      | 1.14      | 1.10      | 0.93      | 0.89      | 0.86      | 0.98      |
| 37 Market capitalisation (NOK billion)   | 246.1     | 260.5     | 231.3     | 221.6     | 209.1     | 170.5     | 161.8     | 159.2     | 178.5     |

1) 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

|  | 2017      | 2016      | 2015      | 2014      | 2013      |
|--|-----------|-----------|-----------|-----------|-----------|
| <b>Interest rate analysis</b>  |           |           |           |           |           |
| 1 Combined weighted total average spread for lending and deposits (%)                      | 1.30      | 1.32      | 1.33      | 1.31      | 1.31      |
| 2 Average spread for ordinary lending to customers (%)                                     | 2.07      | 2.04      | 2.17      | 2.33      | 2.34      |
| 3 Average spread for deposits from customers (%)   | 0.17      | 0.21      | 0.01      | (0.25)    | (0.31)    |
| <b>Rate of return/profitability</b>  |           |           |           |           |           |
| 4 Net other operating income, per cent of total income                                     | 30.7      | 34.6      | 34.5      | 34.2      | 35.2      |
| 5 Cost/income ratio (%)  | 44.2      | 40.9      | 36.9      | 41.9      | 45.7      |
| 6 Return on equity, annualised (%)   | 10.8      | 10.1      | 14.5      | 13.8      | 13.1      |
| 7 RAROC, annualised (%)  | 10.0      | 11.1      | 11.2      | 12.3      | 12.8      |
| 8 Average equity including allocated dividend (NOK million)                                | 193 686   | 184 056   | 168 674   | 149 460   | 133 242   |
| 9 Return on average risk-weighted volume, annualised (%)                                   | 1.96      | 1.75      | 2.14      | 1.89      | 1.61      |
| <b>Financial strength at end of period</b>   |           |           |           |           |           |
| 10 Common Equity Tier 1 capital ratio, transitional rules (%)                              | 16.4      | 16.0      | 14.4      | 12.7      | 11.8      |
| 11 Tier 1 capital ratio, transitional rules (%)  | 17.9      | 17.6      | 15.3      | 13.0      | 12.1      |
| 12 Capital ratio, transitional rules (%)   | 20.0      | 19.5      | 17.8      | 15.2      | 14.0      |
| 13 Common equity Tier 1 capital at end of period (NOK million)                             | 171 346   | 168 214   | 162 906   | 142 108   | 128 072   |
| 14 Risk-weighted volume, transitional rules (NOK million)                                  | 1 042 601 | 1 051 498 | 1 129 373 | 1 120 659 | 1 089 114 |
| <b>Loan portfolio and impairment</b>   |           |           |           |           |           |
| 15 Individual impairment relative to average net loans to customers, annualised (%)        | (0.24)    | (0.34)    | (0.13)    | (0.14)    | (0.18)    |
| 16 Impairment relative to average net loans to customers, annualised (%)                   | (0.15)    | (0.48)    | (0.15)    | (0.12)    | (0.17)    |
| 17 Net non-performing and net doubtful loans and guarantees, per cent of net loans         | 0.98      | 1.49      | 0.76      | 0.96      | 1.38      |
| 18 Net non-performing and net doubtful loans and guarantees at end of period (NOK million) | 17 277    | 25 654    | 13 982    | 17 261    | 20 749    |
| <b>Liquidity</b>   |           |           |           |           |           |
| 19 Ratio of customer deposits to net loans to customers at end of period (%)               | 62.8      | 62.0      | 61.2      | 65.4      | 64.7      |
| <b>Total assets owned or managed by DNB</b>  |           |           |           |           |           |
| 20 Customer assets under management at end of period (NOK billion)                         | 614       | 548       | 562       | 549       | 519       |
| 21 Total combined assets at end of period (NOK billion)                                    | 3 026     | 2 931     | 2 901     | 2 936     | 2 656     |
| 22 Average total assets (NOK billion)  | 2 857     | 2 841     | 2 946     | 2 712     | 2 543     |
| 23 Customer savings at end of period (NOK billion)   | 1 585     | 1 519     | 1 507     | 1 490     | 1 387     |
| <b>Staff</b>   |           |           |           |           |           |
| 24 Number of full-time positions at end of period  | 9 144     | 11 007    | 11 380    | 11 643    | 12 016    |
| <b>The DNB share</b>   |           |           |           |           |           |
| 25 Number of shares at end of period (1 000)   | 1 628 799 | 1 628 799 | 1 628 799 | 1 628 799 | 1 628 799 |
| 26 Number of outstanding shares at end of period (1 000)                                   | 1 618 049 | 1 628 578 | 1 625 658 | 1 627 269 | 1 627 814 |
| 27 Average number of outstanding shares (1 000)  | 1 625 258 | 1 627 735 | 1 627 744 | 1 627 566 | 1 628 323 |
| 28 Earnings per share (NOK)  | 12.84     | 11.46     | 14.99     | 12.67     | 10.75     |
| 29 Earnings per share excl. operations held for sale (NOK)                                 | 12.84     | 11.46     | 15.02     | 12.68     | 10.75     |
| 30 Dividend per share (NOK)  | 7.10      | 5.70      | 4.50      | 3.80      | 2.70      |
| 31 Total shareholder's return (%)  | 23.5      | 22.2      | 1.9       | 4.7       | 57.6      |
| 32 Dividend yield (%)  | 4.67      | 4.44      | 4.10      | 3.16      | 2.49      |
| 33 Book value per share incl. allocated dividend at end of period (NOK)                    | 124.06    | 116.95    | 112.00    | 97.75     | 87.20     |
| 34 Share price at end of period (NOK)  | 152.10    | 128.40    | 109.80    | 110.70    | 108.50    |
| 35 Price/earnings ratio  | 11.85     | 11.20     | 7.33      | 8.74      | 10.09     |
| 36 Price/book value  | 1.23      | 1.10      | 0.98      | 1.13      | 1.24      |
| 37 Market capitalisation (NOK billion)   | 246.1     | 209.1     | 178.5     | 180.1     | 176.6     |

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. |
| 26      | Number of issued shares excluding DNB shares owned for trading purpose and as part of buy-back programmes.  |
| 28      | The shareholders' share of profits relative to the average number of outstanding shares.  |
| 29      | The shareholders' share of profits excluding profits from operations held for sale relative to the average number of outstanding shares.  |
| 31      | 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.  |
| 33      | The shareholders' share of equity, excluding additional Tier 1 capital, at end of period relative to the number of outstanding shares.  |
| 35      | Closing price at end of period relative to annualised earnings per share.   |
| 36      | Share price at end of period relative to book value per share.  |
| 37      | Number of outstanding shares multiplied by the closing share price, at end of period.   |

### 1.2.1 Net interest income - split by segments

| Amounts in NOK million   | 4Q17         | 3Q17         | 2Q17         | 1Q17         | 4Q16         | 3Q16         | 2Q16         | 1Q16         | 4Q15         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net interest income from loans to customers <sup>1)</sup></b> | <b>7 593</b> | <b>7 805</b> | <b>7 673</b> | <b>7 281</b> | <b>7 239</b> | <b>7 563</b> | <b>7 565</b> | <b>7 560</b> | <b>7 902</b> |
| Personal customers   | 3 485        | 3 404        | 3 204        | 2 999        | 2 828        | 2 981        | 3 073        | 3 039        | 3 394        |
| Small and medium-sized enterprises                               | 1 842        | 1 790        | 1 769        | 1 681        | 1 672        | 1 711        | 1 651        | 1 578        | 1 291        |
| Large corporates and international customers                     | 2 213        | 2 570        | 2 679        | 2 591        | 2 690        | 2 815        | 2 793        | 2 893        | 3 159        |
| Other  | 54           | 40           | 21           | 11           | 50           | 56           | 48           | 50           | 58           |
| <b>Net interest income on deposits from customers</b>            | <b>318</b>   | <b>362</b>   | <b>475</b>   | <b>505</b>   | <b>604</b>   | <b>459</b>   | <b>417</b>   | <b>573</b>   | <b>290</b>   |
| Personal customers   | 132          | 173          | 257          | 332          | 431          | 345          | 328          | 411          | 236          |
| Small and medium-sized enterprises                               | 157          | 157          | 177          | 207          | 205          | 173          | 166          | 195          | 168          |
| Large corporates and international customers                     | 32           | 32           | 39           | (41)         | (42)         | (67)         | (77)         | (40)         | (118)        |
| Other  | (2)          | (1)          | 3            | 8            | 11           | 8            | 1            | 7            | 5            |
| <b>Equity and non-interest bearing items/Allocated capital</b>   | <b>353</b>   | <b>361</b>   | <b>402</b>   | <b>441</b>   | <b>450</b>   | <b>396</b>   | <b>378</b>   | <b>418</b>   | <b>404</b>   |
| Personal customers   | 33           | 36           | 45           | 55           | 53           | 45           | 46           | 53           | 67           |
| Small and medium-sized enterprises                               | 19           | 21           | 27           | 33           | 33           | 28           | 27           | 32           | 38           |
| Large corporates and international customers                     | 60           | 73           | 98           | 110          | 112          | 99           | 92           | 110          | 125          |
| Other  | 242          | 231          | 232          | 243          | 252          | 224          | 212          | 222          | 174          |
| Other  | 599          | 480          | 481          | 293          | 79           | 62           | 184          | 163          | 466          |
| <b>Total net interest income</b>                                 | <b>8 863</b> | <b>9 007</b> | <b>9 031</b> | <b>8 521</b> | <b>8 372</b> | <b>8 481</b> | <b>8 544</b> | <b>8 713</b> | <b>9 062</b> |

### 1.2.2 Average volumes - split by segments

| Amounts in NOK million   | 4Q17             | 3Q17             | 2Q17             | 1Q17             | 4Q16             | 3Q16             | 2Q16             | 1Q16             | 4Q15             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Loans to customers <sup>2)</sup></b>                        | <b>1 527 201</b> | <b>1 518 889</b> | <b>1 523 259</b> | <b>1 494 223</b> | <b>1 485 034</b> | <b>1 511 481</b> | <b>1 512 996</b> | <b>1 522 101</b> | <b>1 519 394</b> |
| Personal customers <sup>3)</sup>                               | 740 219          | 727 659          | 715 809          | 704 976          | 702 949          | 691 602          | 679 147          | 673 476          | 689 026          |
| Small and medium-sized enterprises                             | 283 203          | 273 968          | 270 755          | 265 255          | 260 259          | 256 996          | 253 202          | 244 276          | 217 551          |
| Large corporates and international customers                   | 415 269          | 475 011          | 496 706          | 482 337          | 496 949          | 519 886          | 523 095          | 538 765          | 571 316          |
| Other  | 88 510           | 42 252           | 39 989           | 41 655           | 24 877           | 36 656           | 57 553           | 65 583           | 41 500           |
| <b>Deposits from customers <sup>2)</sup></b>                   | <b>1 046 040</b> | <b>1 041 670</b> | <b>1 037 930</b> | <b>1 019 124</b> | <b>958 571</b>   | <b>1 047 575</b> | <b>1 075 065</b> | <b>1 119 443</b> | <b>1 159 336</b> |
| Personal customers   | 401 850          | 405 116          | 398 046          | 398 290          | 397 297          | 406 373          | 397 881          | 395 220          | 387 053          |
| Small and medium-sized enterprises                             | 209 977          | 208 161          | 204 904          | 197 750          | 185 176          | 179 110          | 173 284          | 170 165          | 171 926          |
| Large corporates and international customers                   | 337 424          | 376 811          | 391 560          | 392 885          | 366 617          | 374 006          | 378 136          | 382 852          | 402 916          |
| Other  | 96 788           | 51 583           | 43 420           | 30 199           | 9 482            | 88 086           | 125 764          | 171 205          | 197 441          |
| <b>Equity and non-interest bearing items/Allocated capital</b> | <b>175 273</b>   | <b>169 765</b>   | <b>171 821</b>   | <b>171 311</b>   | <b>165 655</b>   | <b>157 622</b>   | <b>152 098</b>   | <b>155 003</b>   | <b>145 623</b>   |
| Personal customers   | 39 828           | 38 921           | 39 389           | 40 736           | 39 587           | 39 078           | 40 207           | 39 624           | 33 805           |
| Small and medium-sized enterprises                             | 26 258           | 25 913           | 26 066           | 26 549           | 26 836           | 26 615           | 26 688           | 27 324           | 20 958           |
| Large corporates and international customers                   | 73 707           | 82 379           | 86 083           | 83 066           | 84 826           | 87 091           | 83 076           | 84 707           | 70 868           |
| Other  | 35 481           | 22 551           | 20 283           | 20 960           | 14 406           | 4 838            | 2 126            | 3 349            | 19 991           |

### 1.2.3 Interest rate spreads - split by segments <sup>4)</sup>

| Per cent  | 4Q17        | 3Q17        | 2Q17        | 1Q17        | 4Q16        | 3Q16        | 2Q16        | 1Q16        | 4Q15        |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total lending - customer segments</b>                            | <b>2.08</b> | <b>2.09</b> | <b>2.07</b> | <b>2.03</b> | <b>1.96</b> | <b>2.03</b> | <b>2.08</b> | <b>2.07</b> | <b>2.11</b> |
| Personal customers  | 1.87        | 1.86        | 1.80        | 1.73        | 1.60        | 1.71        | 1.82        | 1.81        | 1.95        |
| Small and medium-sized enterprises                                  | 2.58        | 2.59        | 2.62        | 2.57        | 2.56        | 2.65        | 2.62        | 2.60        | 2.35        |
| Large corporates and international customers                        | 2.11        | 2.15        | 2.16        | 2.18        | 2.15        | 2.15        | 2.15        | 2.16        | 2.19        |
| <b>Total deposits - customer segments</b>                           | <b>0.13</b> | <b>0.15</b> | <b>0.19</b> | <b>0.20</b> | <b>0.25</b> | <b>0.19</b> | <b>0.18</b> | <b>0.24</b> | <b>0.12</b> |
| Personal customers  | 0.13        | 0.17        | 0.26        | 0.34        | 0.43        | 0.34        | 0.33        | 0.42        | 0.24        |
| Small and medium-sized enterprises                                  | 0.30        | 0.30        | 0.35        | 0.42        | 0.44        | 0.38        | 0.38        | 0.46        | 0.39        |
| Large corporates and international customers                        | 0.04        | 0.03        | 0.04        | (0.04)      | (0.05)      | (0.07)      | (0.08)      | (0.04)      | (0.12)      |
| <b>Combined spread - customer segments - weighted total average</b> | <b>1.31</b> | <b>1.31</b> | <b>1.32</b> | <b>1.29</b> | <b>1.29</b> | <b>1.30</b> | <b>1.33</b> | <b>1.35</b> | <b>1.32</b> |

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

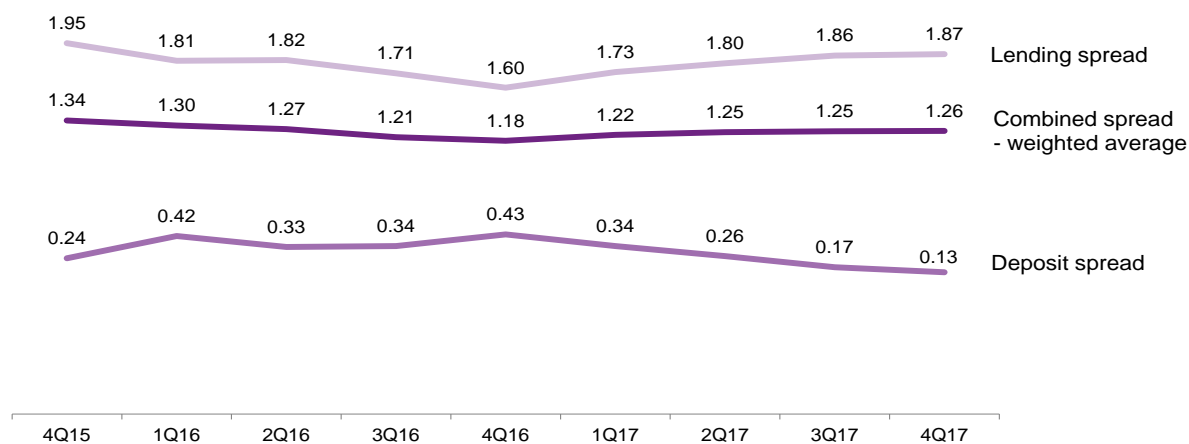
### Customer segments

Per cent



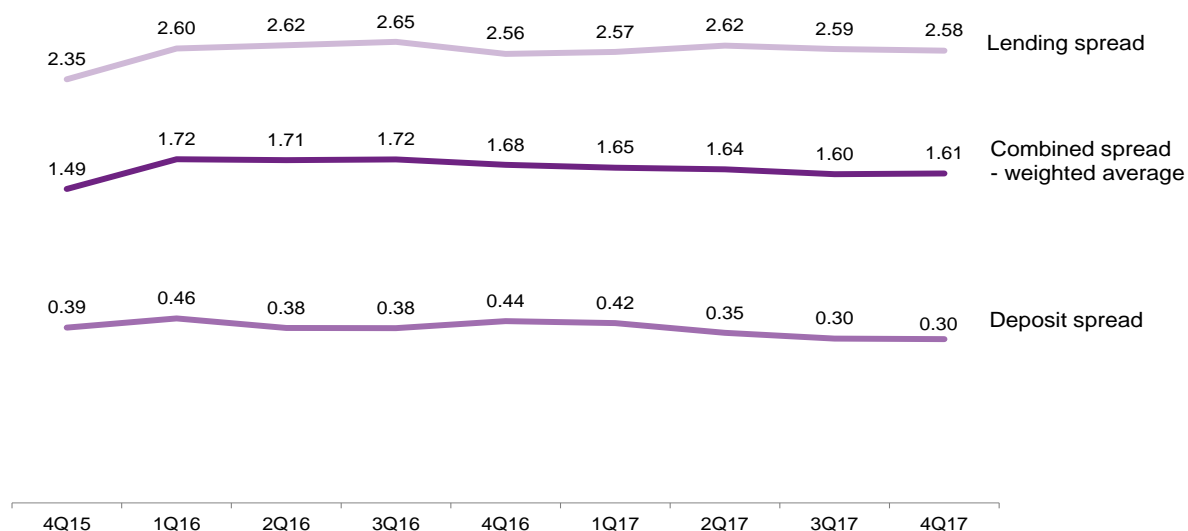
### Personal customers

Per cent



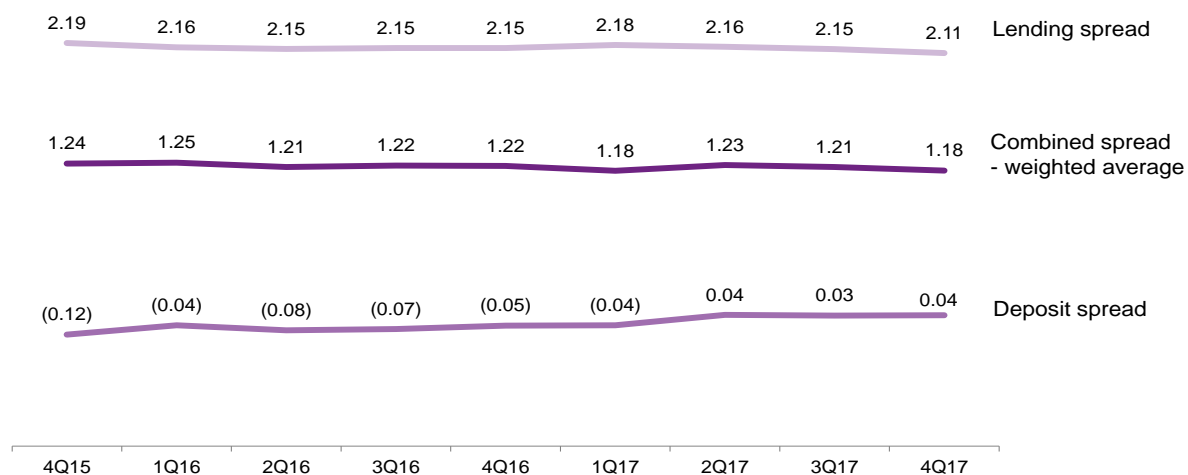
### Small and medium-sized enterprises

Per cent



### Large corporates and international customers

Per cent



## 1.2.5 Net interest income

| Amounts in NOK million                           | 4Q17           | 3Q17           | 2Q17           | 1Q17           | 4Q16           | 3Q16           | 2Q16           | 1Q16           | 4Q15           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Interest on amounts due from credit institutions | 767            | 767            | 632            | 546            | 432            | 302            | 159            | 447            | 430            |
| Interest on loans to customers                   | 10 922         | 11 203         | 11 285         | 11 036         | 10 984         | 11 078         | 11 005         | 11 161         | 11 660         |
| Interest on impaired loans and guarantees        | 285            | 329            | 291            | 267            | 317            | 245            | 204            | 145            | 203            |
| Interest on commercial paper and bonds           | 946            | 955            | 1 117          | 1 182          | 1 185          | 1 195          | 1 119          | 1 127          | 1 118          |
| Front-end fees etc.                              | 66             | 76             | 84             | 74             | 81             | 69             | 71             | 73             | 96             |
| Other interest income                            | 296            | 322            | 299            | 117            | 274            | 87             | 322            | 342            | 427            |
| <b>Total interest income</b>                     | <b>13 283</b>  | <b>13 651</b>  | <b>13 709</b>  | <b>13 223</b>  | <b>13 273</b>  | <b>12 976</b>  | <b>12 880</b>  | <b>13 295</b>  | <b>13 934</b>  |
| Interest on amounts due to credit institutions   | (711)          | (655)          | (625)          | (474)          | (762)          | (325)          | (303)          | (313)          | (369)          |
| Interest on deposits from customers              | (1 931)        | (1 928)        | (1 872)        | (1 787)        | (1 665)        | (1 672)        | (1 631)        | (1 676)        | (1 821)        |
| Interest on debt securities issued               | (2 794)        | (2 700)        | (2 821)        | (2 823)        | (2 933)        | (3 055)        | (3 147)        | (3 251)        | (3 238)        |
| Interest on subordinated loan capital            | (107)          | (105)          | (105)          | (135)          | (131)          | (132)          | (132)          | (137)          | (140)          |
| Guarantee fund levy <sup>1)</sup>                | (113)          | (173)          | (176)          | (175)          | (200)          | (187)          | (187)          | (193)          | (202)          |
| Other interest expenses <sup>2)</sup>            | 1 237          | 918            | 922            | 692            | 791            | 875            | 1 065          | 988            | 898            |
| <b>Total interest expenses</b>                   | <b>(4 420)</b> | <b>(4 644)</b> | <b>(4 677)</b> | <b>(4 702)</b> | <b>(4 901)</b> | <b>(4 495)</b> | <b>(4 336)</b> | <b>(4 582)</b> | <b>(4 872)</b> |
| <b>Net interest income</b>                       | <b>8 863</b>   | <b>9 007</b>   | <b>9 031</b>   | <b>8 521</b>   | <b>8 372</b>   | <b>8 480</b>   | <b>8 544</b>   | <b>8 713</b>   | <b>9 062</b>   |

### Full year figures

| Amounts in NOK million                           | 2017            | 2016            | 2015            | 2014            | 2013            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Interest on amounts due from credit institutions | 2 713           | 1 340           | 1 608           | 1 814           | 1 299           |
| Interest on loans to customers                   | 44 447          | 44 229          | 48 728          | 52 139          | 52 019          |
| Interest on impaired loans and guarantees        | 1 172           | 911             | 619             | 643             | 682             |
| Interest on commercial paper and bonds           | 4 200           | 4 626           | 4 655           | 5 078           | 5 316           |
| Front-end fees etc.                              | 300             | 294             | 337             | 316             | 329             |
| Other interest income                            | 1 033           | 1 024           | 1 584           | 1 456           | 759             |
| <b>Total interest income</b>                     | <b>53 865</b>   | <b>52 424</b>   | <b>57 532</b>   | <b>61 445</b>   | <b>60 404</b>   |
| Interest on amounts due to credit institutions   | (2 465)         | (1 705)         | (1 365)         | (1 755)         | (2 374)         |
| Interest on deposits from customers              | (7 519)         | (6 645)         | (9 394)         | (13 827)        | (14 626)        |
| Interest on debt securities issued               | (11 139)        | (12 385)        | (12 809)        | (12 633)        | (12 130)        |
| Interest on subordinated loan capital            | (452)           | (532)           | (569)           | (572)           | (453)           |
| Guarantee fund levy <sup>1)</sup>                | (637)           | (768)           | (845)           | (780)           | (754)           |
| Other interest expenses <sup>2)</sup>            | 3 770           | 3 720           | 2 809           | 608             | 125             |
| <b>Total interest expenses</b>                   | <b>(18 442)</b> | <b>(18 314)</b> | <b>(22 174)</b> | <b>(28 959)</b> | <b>(30 212)</b> |
| <b>Net interest income</b>                       | <b>35 422</b>   | <b>34 110</b>   | <b>35 358</b>   | <b>32 487</b>   | <b>30 192</b>   |

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     | 4Q17         | 3Q17         | 2Q17         | 1Q17         | 4Q16         | 3Q16         | 2Q16         | 1Q16         | 4Q15         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net interest income</b> | <b>8 863</b> | <b>9 007</b> | <b>9 031</b> | <b>8 521</b> | <b>8 372</b> | <b>8 481</b> | <b>8 544</b> | <b>8 713</b> | <b>9 062</b> |

|   | Changes from 3Q17 | Changes from 2Q17 | Changes from 1Q17 | Changes from 4Q16 | Changes from 3Q16 | Changes from 2Q16 | Changes from 1Q16 | Changes from 4Q15 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Changes from previous quarters:                           |                   |                   |                   |                   |                   |                   |                   |                   |
| Lending volumes   | (8)               | 58                | 118               | (49)              | (39)              | 99                | 72                | (309)             |
| Deposit volumes   | (3)               | 4                 | 1                 | 21                | (5)               | 7                 | 6                 | (1)               |
| Lending spreads   | (1)               | 70                | 140               | 261               | (264)             | (188)             | 20                | (117)             |
| Deposit spreads   | (35)              | (115)             | (33)              | (107)             | 148               | 24                | (155)             | 285               |
| Exchange rate movements                                   | 48                | (103)             | 44                | 6                 | (16)              | (3)               | (86)              | 76                |
| Interest days   |                   | 89                | 86                | (148)             |                   | 87                |                   | (88)              |
| Long term funding   | 25                | 15                | 126               | 36                | 16                | (52)              | (36)              | 6                 |
| Amortisation effects and fees                             | 52                | (4)               | 9                 | 53                | (42)              | (58)              | 4                 | (160)             |
| Interest income on loans subject to impairment provisions | (24)              | 21                | 21                | (66)              | 67                | 46                | 49                | (27)              |
| Other net interest income                                 | (197)             | (60)              | (2)               | 141               | 26                | (25)              | (44)              | (13)              |
| <b>Total</b>  | <b>(144)</b>      | <b>(24)</b>       | <b>510</b>        | <b>149</b>        | <b>(108)</b>      | <b>(63)</b>       | <b>(170)</b>      | <b>(349)</b>      |

### 1.3.1 Net other operating income

| Amounts in NOK million   | 4Q17         | 3Q17         | 2Q17         | 1Q17         | 4Q16         | 3Q16         | 2Q16         | 1Q16         | 4Q15         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Money transfer and interbank transactions                                | 409          | 495          | 461          | 445          | 403          | 520          | 466          | 507          | 443          |
| Asset management services  | 379          | 332          | 310          | 276          | 280          | 319          | 292          | 273          | 311          |
| Credit broking   | 123          | 75           | 111          | 132          | 106          | 99           | 143          | 118          | 125          |
| Corporate finance  | 202          | 151          | 161          | 169          | 319          | 112          | 171          | 92           | 108          |
| Real estate broking  | 251          | 277          | 354          | 269          | 260          | 273          | 343          | 245          | 270          |
| Custodial services   | 33           | 42           | 57           | 33           | 38           | 7            | 58           | 40           | 38           |
| Securities broking   | 147          | 189          | 132          | 170          | 161          | 119          | 77           | 82           | 110          |
| Sale of insurance products   | 503          | 513          | 513          | 520          | 530          | 517          | 563          | 606          | 595          |
| Other income from banking services                                       | 18           | 75           | 61           | 60           | 40           | 51           | 22           | 28           | 81           |
| Net commissions and fees   | 2 064        | 2 150        | 2 161        | 2 073        | 2 136        | 2 016        | 2 136        | 1 991        | 2 082        |
| Net gains on equity investments <sup>1)</sup>                            | 27           | 66           | 96           | 27           | 108          | 326          | 160          | (98)         | 405          |
| FX and interest rate instruments   | 1 604        | 1 053        | 946          | 1 402        | 2 294        | 1 528        | 1 257        | 1 479        | 1 763        |
| Basis swaps  | 62           | (54)         | (60)         | (620)        | (713)        | (444)        | (388)        | 1 003        | (4)          |
| Net gains on financial instruments at fair value <sup>2)</sup>           | 1 693        | 1 065        | 982          | 808          | 1 689        | 1 411        | 1 029        | 2 384        | 2 164        |
| Net financial result, DNB Livsforsikring                                 | 168          | 147          | 372          | 117          | (57)         | 45           | (68)         | 9            | (928)        |
| Net risk result, DNB Livsforsikring                                      | 98           | 187          | 83           | 123          | 290          | 109          | 234          | 103          | 247          |
| Net financial and risk result, DNB Livsforsikring <sup>3)</sup>          | 266          | 335          | 454          | 240          | 232          | 154          | 166          | 112          | (681)        |
| Net premium income/insurance claims, DNB Forsikring                      | 164          | 176          | 189          | 155          | 181          | 148          | 204          | 115          | 132          |
| Profit from investments accounted for by the equity method <sup>4)</sup> | (74)         | (17)         | 23           | (45)         | (45)         | (0)          | 1 148        | 86           | (28)         |
| Net gains on investment properties                                       | 146          | (3)          | (14)         | 14           | (7)          | (5)          | (18)         | (5)          | 122          |
| Other income   | 155          | 217          | 187          | 154          | 44           | 205          | 287          | 259          | 35           |
| Other operating income   | 228          | 197          | 196          | 123          | (9)          | 200          | 1 418        | 340          | 129          |
| <b>Net other operating income, total</b>                                 | <b>4 415</b> | <b>3 922</b> | <b>3 982</b> | <b>3 399</b> | <b>4 230</b> | <b>3 929</b> | <b>4 952</b> | <b>4 942</b> | <b>3 825</b> |
| As a percentage of total income  | 33.2         | 30.3         | 30.6         | 28.5         | 33.6         | 31.7         | 36.7         | 36.2         | 29.7         |

### Full year figures

| Amounts in NOK million   | 2017          | 2016          | 2015          | 2014          | 2013          |
|--|---------------|---------------|---------------|---------------|---------------|
| Money transfer and interbank transactions                                | 1 810         | 1 896         | 1 893         | 2 103         | 2 069         |
| Asset management services  | 1 298         | 1 162         | 1 117         | 1 033         | 940           |
| Credit broking   | 440           | 465           | 754           | 574           | 371           |
| Corporate finance  | 684           | 694           | 555           | 740           | 497           |
| Real estate broking  | 1 150         | 1 121         | 1 201         | 1 095         | 1 144         |
| Custodial services   | 165           | 143           | 162           | 193           | 187           |
| Securities broking   | 637           | 440           | 363           | 219           | 217           |
| Sale of insurance products   | 2 049         | 2 216         | 2 482         | 2 668         | 2 725         |
| Other income from banking services                                       | 214           | 142           | 336           | 344           | 387           |
| Net commissions and fees   | 8 448         | 8 280         | 8 862         | 8 969         | 8 537         |
| Net gains on equity investments <sup>1)</sup>                            | 215           | 496           | 123           | 532           | 1 143         |
| FX and interest rate instruments   | 5 004         | 6 559         | 5 874         | 4 391         | 5 253         |
| Basis swaps  | (672)         | (542)         | 2 685         | 394           | (1 364)       |
| Net gains on financial instruments at fair value <sup>2)</sup>           | 4 548         | 6 513         | 8 683         | 5 317         | 5 032         |
| Net financial result, DNB Livsforsikring <sup>3)</sup>                   | 804           | (72)          | (1 251)       | (79)          | 554           |
| Net risk result, DNB Livsforsikring                                      | 491           | 736           | 861           | 688           | 467           |
| Net financial and risk result, DNB Livsforsikring                        | 1 295         | 664           | (389)         | 609           | 1 021         |
| Net premium income/insurance claims, DNB Forsikring                      | 683           | 648           | 534           | 491           | 418           |
| Profit from investments accounted for by the equity method <sup>4)</sup> | (112)         | 1 189         | (72)          | 226           | 362           |
| Net gains on investment properties                                       | 143           | (35)          | 269           | 82            | (86)          |
| Other income   | 713           | 795           | 762           | 1 182         | 1 144         |
| Other operating income   | 744           | 1 948         | 959           | 1 490         | 1 420         |
| <b>Net other operating income, total</b>                                 | <b>15 718</b> | <b>18 053</b> | <b>18 648</b> | <b>16 877</b> | <b>16 427</b> |
| As a percentage of total income  | 30.7          | 34.6          | 34.5          | 34.2          | 35.2          |

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   | 4Q17           | 3Q17           | 2Q17           | 1Q17           | 4Q16           | 3Q16           | 2Q16           | 1Q16           | 4Q15           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Salaries   | (2 047)        | (2 147)        | (2 101)        | (2 020)        | (2 004)        | (2 073)        | (2 031)        | (2 082)        | (2 070)        |
| Employer's national insurance contributions                              | (389)          | (388)          | (367)          | (402)          | (379)          | (303)          | (297)          | (322)          | (312)          |
| Pension expenses <sup>1)</sup>   | (379)          | (325)          | (328)          | (315)          | (81)           | (321)          | (314)          | (320)          | 1 639          |
| Restructuring expenses   | (68)           | (31)           | (89)           | (158)          | (203)          | (22)           | (101)          | (393)          | (142)          |
| Other personnel expenses   | (139)          | (165)          | (164)          | (162)          | (174)          | (156)          | (168)          | (160)          | (220)          |
| Total salaries and other personnel expenses                              | (3 023)        | (3 056)        | (3 049)        | (3 056)        | (2 842)        | (2 874)        | (2 911)        | (3 277)        | (1 106)        |
| Fees <sup>2)</sup>   | (632)          | (440)          | (557)          | (414)          | (515)          | (395)          | (407)          | (314)          | (361)          |
| IT expenses <sup>2)</sup>  | (434)          | (543)          | (544)          | (568)          | (417)          | (552)          | (577)          | (561)          | (489)          |
| Postage and telecommunications   | (36)           | (63)           | (54)           | (56)           | (59)           | (55)           | (61)           | (63)           | (65)           |
| Office supplies  | (10)           | (17)           | (18)           | (18)           | (21)           | (18)           | (19)           | (19)           | (24)           |
| Marketing and public relations   | (190)          | (163)          | (278)          | (179)          | (215)          | (174)          | (245)          | (180)          | (203)          |
| Travel expenses  | (113)          | (54)           | (67)           | (50)           | (85)           | (45)           | (59)           | (49)           | (99)           |
| Reimbursement to Norway Post for transactions executed                   | (57)           | (49)           | (49)           | (49)           | (48)           | (49)           | (51)           | (51)           | (43)           |
| Training expenses  | (16)           | (14)           | (17)           | (18)           | (23)           | (9)            | (12)           | (18)           | (24)           |
| Operating expenses on properties and premises                            | (279)          | (298)          | (289)          | (308)          | (291)          | (292)          | (300)          | (309)          | (301)          |
| Operating expenses on machinery, vehicles and office equipment           | (17)           | (23)           | (23)           | (18)           | (23)           | (18)           | (30)           | (22)           | (25)           |
| Other operating expenses   | (194)          | (274)          | (193)          | (196)          | (132)          | (87)           | (205)          | (180)          | (296)          |
| Total other expenses   | (1 977)        | (1 938)        | (2 088)        | (1 874)        | (1 828)        | (1 694)        | (1 965)        | (1 765)        | (1 931)        |
| Impairment losses for goodwill <sup>3)</sup>                             | (510)          |                |                | (35)           | (5)            |                |                |                |                |
| Depreciation and impairment of fixed and intangible assets <sup>4)</sup> | (508)          | (525)          | (478)          | (475)          | (518)          | (475)          | (510)          | (668)          | (590)          |
| Total depreciation and impairment of fixed and intangible assets         | (1 018)        | (525)          | (478)          | (510)          | (524)          | (475)          | (510)          | (668)          | (590)          |
| <b>Total operating expenses</b>  | <b>(6 018)</b> | <b>(5 520)</b> | <b>(5 615)</b> | <b>(5 441)</b> | <b>(5 194)</b> | <b>(5 043)</b> | <b>(5 385)</b> | <b>(5 711)</b> | <b>(3 626)</b> |

### Full year figures

| Amounts in NOK million   | 2017            | 2016            | 2015            | 2014            | 2013            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Salaries   | (8 316)         | (8 190)         | (8 269)         | (7 959)         | (7 892)         |
| Employer's national insurance contributions                              | (1 546)         | (1 301)         | (1 220)         | (1 146)         | (1 127)         |
| Pension expenses <sup>1)</sup>   | (1 347)         | (1 035)         | 799             | (899)           | (787)           |
| Restructuring expenses   | (346)           | (720)           | (390)           | (239)           | (776)           |
| Other personnel expenses   | (629)           | (658)           | (742)           | (628)           | (724)           |
| Total salaries and other personnel expenses                              | (12 184)        | (11 904)        | (9 822)         | (10 872)        | (11 307)        |
| Fees <sup>2)</sup>   | (2 043)         | (1 631)         | (1 545)         | (1 391)         | (1 164)         |
| IT expenses <sup>2)</sup>  | (2 089)         | (2 107)         | (2 418)         | (2 223)         | (2 346)         |
| Postage and telecommunications   | (209)           | (238)           | (287)           | (297)           | (303)           |
| Office supplies  | (62)            | (76)            | (89)            | (101)           | (90)            |
| Marketing and public relations   | (810)           | (815)           | (859)           | (863)           | (847)           |
| Travel expenses  | (284)           | (237)           | (285)           | (258)           | (229)           |
| Reimbursement to Norway Post for transactions executed                   | (204)           | (198)           | (174)           | (231)           | (143)           |
| Training expenses  | (65)            | (62)            | (75)            | (61)            | (49)            |
| Operating expenses on properties and premises                            | (1 174)         | (1 191)         | (1 114)         | (1 284)         | (1 364)         |
| Operating expenses on machinery, vehicles and office equipment           | (82)            | (93)            | (101)           | (103)           | (130)           |
| Other operating expenses <sup>5)</sup>                                   | (857)           | (604)           | (844)           | (834)           | (1 184)         |
| Total other expenses   | (7 878)         | (7 251)         | (7 790)         | (7 645)         | (7 850)         |
| Impairment losses for goodwill <sup>3)</sup>                             | (545)           | (5)             |                 | (5)             | (57)            |
| Depreciation and impairment of fixed and intangible assets <sup>4)</sup> | (1 986)         | (2 172)         | (2 298)         | (2 153)         | (2 661)         |
| Total depreciation and impairment of fixed and intangible assets         | (2 531)         | (2 177)         | (2 298)         | (2 158)         | (2 719)         |
| <b>Total operating expenses</b>  | <b>(22 593)</b> | <b>(21 333)</b> | <b>(19 910)</b> | <b>(20 675)</b> | <b>(21 875)</b> |

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) Impairment losses for goodwill of NOK 502 million relating to Cresco were recorded in the fourth quarter of 2017.

4) 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.

5) 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

|  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Full-time positions</i>                       |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Personal Banking <sup>1)</sup>                   | 3 006           | 2 981            | 2 909           | 2 983            | 2 748           | 2 736            | 2 841           | 3 014            | 3 060           |
| Corporate Banking                                | 1 183           | 1 195            | 1 216           | 1 257            | 761             | 748              | 756             | 756              | 752             |
| Large Corporates and International <sup>2)</sup> | 1 075           | 2 714            | 2 745           | 2 887            | 2 903           | 2 848            | 2 873           | 2 950            | 2 977           |
| Markets  | 714             | 708              | 711             | 700              | 694             | 693              | 696             | 687              | 690             |
| Wealth Management                                | 480             | 461              | 414             | 419              | 445             | 457              | 476             | 343              | 382             |
| Products <sup>3)</sup>                           |                 |                  |                 |                  | 983             | 976              | 984             | 1 164            | 1 207           |
| IT and Operations                                | 1 770           | 1 768            | 1 763           | 1 737            | 1 735           | 1 704            | 1 666           | 1 664            | 1 673           |
| Other entities <sup>1) 4)</sup>                  | 915             | 958              | 939             | 942              | 738             | 721              | 723             | 655              | 639             |
| <b>Total ordinary operations</b>                 | <b>9 144</b>    | <b>10 785</b>    | <b>10 697</b>   | <b>10 924</b>    | <b>11 007</b>   | <b>10 883</b>    | <b>11 015</b>   | <b>11 233</b>    | <b>11 380</b>   |

1) 23 full-time positions were transferred from Other entities to Personal Banking in the fourth quarter of 2017.

2) 1 630 full-time positions in the Baltics were transferred to Luminor in October 2017.

3) The employees have been transferred to other units.

4) 21 full-time-positions were transferred to Vipps AS in the fourth quarter 2017.

## 1.4.3 IT expenses

|  |                |              |              |              |              |              |              |              |              |
|--|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <i>Amounts in NOK million</i>            | 4Q17           | 3Q17         | 2Q17         | 1Q17         | 4Q16         | 3Q16         | 2Q16         | 1Q16         | 4Q15         |
| IT operating expenses                    | (481)          | (569)        | (578)        | (580)        | (462)        | (577)        | (582)        | (583)        | (521)        |
| Depreciation                             | (25)           | (29)         | (30)         | (28)         | (31)         | (31)         | (31)         | (31)         | (36)         |
| Total IT operating expenses              | (506)          | (598)        | (608)        | (608)        | (493)        | (608)        | (613)        | (614)        | (557)        |
| Systems development expenses             | (407)          | (275)        | (316)        | (293)        | (305)        | (197)        | (289)        | (199)        | (190)        |
| Depreciation                             | (69)           | (52)         | (56)         | (60)         | (74)         | (69)         | (69)         | (72)         | (80)         |
| Impairment                               | (24)           | (31)         | (8)          | (5)          | (24)         | (1)          | (3)          |              | (55)         |
| Total systems development expenses       | (499)          | (358)        | (380)        | (357)        | (402)        | (267)        | (361)        | (270)        | (324)        |
| <b>Total IT expenses <sup>1)</sup></b>   | <b>(1 006)</b> | <b>(956)</b> | <b>(988)</b> | <b>(966)</b> | <b>(895)</b> | <b>(876)</b> | <b>(975)</b> | <b>(885)</b> | <b>(881)</b> |
| Capitalised systems development expenses | 1 203          | 1 038        | 993          | 932          | 948          | 908          | 951          | 983          | 1 042        |

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

## 1.4.4 Ordinary cost/income ratio

|                            |      |      |      |      |      |      |      |      |      |
|----------------------------|------|------|------|------|------|------|------|------|------|
| <i>Per cent</i>            | 4Q17 | 3Q17 | 2Q17 | 1Q17 | 4Q16 | 3Q16 | 2Q16 | 1Q16 | 4Q15 |
| Cost/income ratio (%)      | 45.3 | 42.7 | 43.1 | 45.6 | 41.2 | 40.6 | 39.9 | 41.8 | 28.1 |
| - adjusted for basis swaps | 45.5 | 42.5 | 42.9 | 43.4 | 39.0 | 39.2 | 38.8 | 45.1 | 28.1 |



### 1.4.5 Changes in total operating expenses

#### 4Q16-4Q17

| Amounts in NOK million  | 4Q17           | Change       | 4Q16           | Change in per cent |
|---|----------------|--------------|----------------|--------------------|
| <b>Operating expenses</b>   | <b>(6 018)</b> | <b>(825)</b> | <b>(5 194)</b> | <b>(15.9)</b>      |
| Marketing etc   |                | 25           |                |                    |
| Other costs   |                | 20           |                |                    |
| Salaries and other personnel expenses (excl. restructuring costs) |                | (18)         |                |                    |
| Pension expenses  |                | (26)         |                |                    |
| It expenses   |                | (134)        |                |                    |
| Restructuring costs <sup>1)</sup>                                 |                | 135          |                |                    |
| Other non-recurring effects <sup>1)</sup>                         |                | (826)        |                |                    |

#### 3Q17-4Q17

| Amounts in NOK million  | 4Q17           | Change       | 3Q17           | Change in per cent |
|---|----------------|--------------|----------------|--------------------|
| <b>Operating expenses</b>   | <b>(6 018)</b> | <b>(499)</b> | <b>(5 520)</b> | <b>(9.0)</b>       |
| Salaries and other personnel expenses (excl. restructuring costs) |                | 124          |                |                    |
| Other costs   |                | 27           |                |                    |
| Pension expenses  |                | (9)          |                |                    |
| Marketing etc   |                | (27)         |                |                    |
| Travel expenses   |                | (59)         |                |                    |
| It expenses   |                | (82)         |                |                    |
| Restructuring costs <sup>1)</sup>                                 |                | (37)         |                |                    |
| Other non-recurring effects <sup>1)</sup>                         |                | (436)        |                |                    |

1) Non-recurring effects.

### 1.5.1 Development in volumes - net loans to customers

|  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK billion</i>              |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Loans at end of period                     | 1 545           | 1 584            | 1 600           | 1 577            | 1 554           | 1 531            | 1 542           | 1 535            | 1 543           |
| Loans adjusted for exchange rate movements | 1 561           | 1 613            | 1 614           | 1 595            | 1 576           | 1 571            | 1 563           | 1 554            | 1 543           |

Volumes include accrued interest and fair value adjustments.

Includes volumes in the Baltics up to and including September 2017, reclassified as assets held for sale in August 2016. Please refer to page 2 for further information on the deconsolidation of the Baltics portfolio.

### 1.5.2 Net loans to principal customer groups

|   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK billion</i>                               |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Private individuals   | 796.6           | 812.8            | 802.2           | 785.7            | 777.6           | 768.4            | 758.1           | 743.9            | 743.3           |
| Transportation by sea and pipelines and vessel construction | 78.3            | 82.7             | 92.6            | 97.7             | 106.1           | 103.6            | 114.3           | 115.5            | 126.2           |
| Real estate   | 215.6           | 220.7            | 217.5           | 211.1            | 208.1           | 206.5            | 207.0           | 205.5            | 202.0           |
| Manufacturing   | 77.2            | 81.0             | 87.8            | 85.2             | 82.3            | 88.9             | 101.5           | 95.6             | 95.5            |
| Services  | 91.6            | 95.0             | 101.4           | 96.9             | 88.8            | 82.5             | 85.9            | 100.1            | 97.9            |
| Trade   | 40.4            | 45.7             | 46.1            | 46.5             | 42.4            | 43.3             | 40.7            | 40.8             | 41.0            |
| Oil and gas   | 22.6            | 22.5             | 21.7            | 24.3             | 29.1            | 27.9             | 30.9            | 32.7             | 31.9            |
| Transportation and communication                            | 59.7            | 61.8             | 64.4            | 66.4             | 64.1            | 60.5             | 59.1            | 59.9             | 59.3            |
| Building and construction                                   | 61.9            | 61.6             | 62.3            | 58.1             | 53.9            | 55.4             | 53.6            | 52.2             | 48.7            |
| Power and water supply                                      | 25.6            | 28.1             | 33.1            | 31.7             | 32.3            | 31.0             | 31.3            | 32.0             | 33.8            |
| Seafood   | 20.4            | 18.3             | 17.8            | 18.2             | 17.0            | 15.5             | 15.5            | 15.9             | 16.3            |
| Hotels and restaurants                                      | 7.4             | 7.6              | 8.5             | 8.7              | 8.1             | 7.4              | 7.4             | 7.7              | 8.9             |
| Agriculture and forestry                                    | 4.9             | 6.3              | 6.2             | 6.1              | 6.2             | 6.3              | 6.3             | 6.6              | 6.8             |
| Central and local government                                | 15.9            | 18.0             | 17.5            | 16.5             | 16.8            | 15.7             | 13.8            | 12.1             | 14.4            |
| Other sectors   | 30.5            | 26.7             | 25.2            | 28.8             | 25.8            | 22.0             | 16.8            | 13.3             | 15.4            |
| Total customers   | 1 548.6         | 1 588.7          | 1 604.4         | 1 581.7          | 1 558.7         | 1 535.0          | 1 542.2         | 1 533.8          | 1 541.5         |
| Credit institutions *)                                      | 208.8           | 147.7            | 151.9           | 193.0            | 166.7           | 186.9            | 195.8           | 170.2            | 292.2           |
| <b>Total net loans</b>                                      | <b>1 757.4</b>  | <b>1 736.5</b>   | <b>1 756.3</b>  | <b>1 774.7</b>   | <b>1 725.3</b>  | <b>1 721.8</b>   | <b>1 738.0</b>  | <b>1 704.0</b>   | <b>1 833.6</b>  |
| <i>*) Of which repo trading volumes</i>                     | 191.1           | 130.1            | 132.5           | 178.1            | 153.2           | 172.6            | 177.8           | 152.0            | 278.2           |

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.

Includes volumes in the Baltics up to and including September 2017, reclassified as assets held for sale in August 2016. Please refer to page 2 for further information on the deconsolidation of the Baltics portfolio.

## 1.6.1 Impairment of loans and guarantees per segment

| Amounts in NOK million                                      | 4Q17           | 3Q17         | 2Q17         | 1Q17         | 4Q16           | 3Q16           | 2Q16           | 1Q16           | 4Q15           |
|---|----------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| <b>Personal customers</b>                                   | <b>(126)</b>   | <b>(60)</b>  | <b>(84)</b>  | <b>36</b>    | <b>75</b>      | <b>(72)</b>    | <b>(102)</b>   | <b>440</b>     | <b>24</b>      |
| - Mortgage loans  | (37)           | (2)          | (7)          | (37)         | (4)            | (8)            | (30)           | 531            | 116            |
| - Other exposure  | (88)           | (58)         | (77)         | 73           | 79             | (65)           | (72)           | (91)           | (92)           |
| <b>Small and medium-sized enterprises</b>                   | <b>(102)</b>   | <b>(135)</b> | <b>(156)</b> | <b>(70)</b>  | <b>(333)</b>   | <b>(324)</b>   | <b>(190)</b>   | <b>(240)</b>   | <b>(341)</b>   |
| <b>Large corporates and international customers</b>         | <b>(1 465)</b> | <b>(791)</b> | <b>(313)</b> | <b>(430)</b> | <b>(1 322)</b> | <b>(1 183)</b> | <b>(1 300)</b> | <b>(728)</b>   | <b>(686)</b>   |
| - Nordic Corporates Division                                | (651)          | (94)         | (66)         | 52           | (109)          | (114)          | (66)           | 6              | 12             |
| - International Corporates Division                         | 79             | (413)        | 2            | 4            | (105)          | 15             | 72             | (7)            | (72)           |
| - Ocean Industries Division <sup>1)</sup>                   | (893)          | (252)        | -            | -            | -              | -              | -              | -              | -              |
| - Shipping, Offshore and Logistics Division <sup>1)</sup>   | -              | -            | (176)        | (462)        | (844)          | (710)          | (823)          | (610)          | (382)          |
| - Energy Division <sup>1)</sup>                             | -              | -            | (173)        | (7)          | (238)          | (348)          | (458)          | (81)           | (173)          |
| - Baltics and Poland <sup>2)</sup>                          | (5)            | (21)         | 90           | (10)         | (34)           | (22)           | (24)           | (36)           | (58)           |
| - Other units   | 5              | (11)         | 8            | (7)          | 8              | (4)            | (0)            | 1              | (12)           |
| Total individual impairment                                 | (1 693)        | (985)        | (553)        | (464)        | (1 580)        | (1 580)        | (1 592)        | (528)          | (1 002)        |
| Total collective impairment of loans                        | 1 292          | 118          | (44)         | (98)         | (172)          | (596)          | (729)          | (646)          | (418)          |
| <b>Impairment of loans and guarantees</b>                   | <b>(402)</b>   | <b>(867)</b> | <b>(597)</b> | <b>(562)</b> | <b>(1 753)</b> | <b>(2 176)</b> | <b>(2 321)</b> | <b>(1 174)</b> | <b>(1 420)</b> |
| Total impairment in relation to average volumes, annualised | (0.10)         | (0.22)       | (0.15)       | (0.15)       | (0.45)         | (0.56)         | (0.61)         | (0.31)         | (0.37)         |

### Full year figures

| Amounts in NOK million                                      | 2017           | 2016           | 2015           | 2014           | 2013           |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Personal customers</b>                                   | <b>(234)</b>   | <b>341</b>     | <b>942</b>     | <b>(118)</b>   | <b>(350)</b>   |
| - Mortgage loans  | (84)           | 490            | 223            | 129            | (77)           |
| - Other exposure  | (150)          | (149)          | 719            | (247)          | (273)          |
| <b>Small and medium-sized enterprises</b>                   | <b>(463)</b>   | <b>(1 088)</b> | <b>(1 062)</b> | <b>(838)</b>   | <b>(518)</b>   |
| <b>Large corporates and international customers</b>         | <b>(2 999)</b> | <b>(4 533)</b> | <b>(1 895)</b> | <b>(1 024)</b> | <b>(1 448)</b> |
| - Nordic Corporates Division                                | (759)          | (283)          | 25             | (370)          | (136)          |
| - International Corporates Division                         | (327)          | (25)           | (149)          | (291)          | (228)          |
| - Ocean Industries Division <sup>1)</sup>                   | (1 145)        | -              | -              | -              | -              |
| - Shipping, Offshore and Logistics Division <sup>1)</sup>   | (638)          | (2 988)        | (1 305)        | (166)          | (500)          |
| - Energy Division <sup>1)</sup>                             | (179)          | (1 126)        | (317)          | (31)           | (52)           |
| - Baltics and Poland <sup>2)</sup>                          | 54             | (116)          | (168)          | (124)          | (471)          |
| - Other units   | (4)            | 5              | 18             | (42)           | (61)           |
| Total individual impairment                                 | (3 696)        | (5 280)        | (2 015)        | (1 980)        | (2 318)        |
| Total collective impairment of loans                        | 1 268          | (2 144)        | (255)          | 341            | 133            |
| <b>Impairment of loans and guarantees</b>                   | <b>(2 428)</b> | <b>(7 424)</b> | <b>(2 270)</b> | <b>(1 639)</b> | <b>(2 185)</b> |
| Total impairment in relation to average volumes, annualised | (0.15)         | (0.48)         | (0.15)         | (0.12)         | (0.17)         |

1) Ocean Industries was established as a new division as of 1 September 2017. The former Shipping, Offshore and Logistics Division and parts of the Energy Division were included in the new division. At the same time, parts of the former Energy Division were transferred to the International Corporates Division. The changes became effective as from 3Q17, and historical figures have not been restated.

### Impairment of loans and guarantees per segment (discontinued divisional organisation)

| Amounts in NOK million                                      | 4Q17           | 3Q17         | 2Q17         | 2017           | 2016           |
|---|----------------|--------------|--------------|----------------|----------------|
| <b>Personal customers</b>                                   | <b>(126)</b>   | <b>(60)</b>  | <b>(84)</b>  | <b>(234)</b>   | <b>341</b>     |
| - Mortgage loans  | (37)           | (2)          | (7)          | (84)           | 490            |
| - Other exposures   | (88)           | (58)         | (77)         | (150)          | (149)          |
| <b>Small and medium-sized enterprises</b>                   | <b>(102)</b>   | <b>(135)</b> | <b>(156)</b> | <b>(463)</b>   | <b>(1 088)</b> |
| <b>Large corporates and international customers</b>         | <b>(1 465)</b> | <b>(791)</b> | <b>(313)</b> | <b>(2 999)</b> | <b>(4 533)</b> |
| - Shipping, Offshore and Logistics Division                 | (844)          | (238)        | (176)        | (1 720)        | (2 988)        |
| - Energy Division   | 4              | (189)        | (173)        | (364)          | (1 126)        |
| - International Corporates Division                         | 26             | (238)        | 2            | (205)          | (25)           |
| - Nordic Corporates Division                                | (651)          | (94)         | (66)         | (759)          | (283)          |
| - Other units   | (0)            | (32)         | 99           | 50             | (112)          |
| Total individual impairment                                 | (1 693)        | (985)        | (553)        | (3 696)        | (5 280)        |
| Total collective impairment of loans                        | 1 292          | 118          | (44)         | 1 268          | (2 144)        |
| <b>Impairment of loans and guarantees</b>                   | <b>(402)</b>   | <b>(867)</b> | <b>(597)</b> | <b>(2 428)</b> | <b>(7 424)</b> |
| Total impairment in relation to average volumes, annualised | (0.10)         | (0.22)       | (0.15)       | (0.15)         | (0.48)         |

## 1.6.2 Impairment of loans and guarantees for principal customer groups

| <i>Amounts in NOK million</i>                               | 4Q17         | 3Q17         | 2Q17         | 1Q17         | 4Q16           | 3Q16           | 2Q16           | 1Q16           | 4Q15           |
|---|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Private individuals   | (137)        | (30)         | (19)         | 46           | 109            | (57)           | (106)          | 416            | (21)           |
| Transportation by sea and pipelines and vessel construction | (144)        | 29           | 24           | (385)        | (346)          | (356)          | (330)          | (515)          | (225)          |
| Real estate   | 28           | (6)          | 13           | 15           | (36)           | (13)           | 5              | 11             | (3)            |
| Manufacturing   | 42           | (5)          | (55)         | 203          | (2)            | (368)          | (442)          | (162)          | (268)          |
| Services  | (29)         | (105)        | (48)         | 40           | (107)          | (26)           | 17             | (66)           | 11             |
| Trade   | (662)        | (103)        | (4)          | (2)          | (40)           | (15)           | (30)           | 4              | (77)           |
| Oil and gas   | (169)        | (6)          | (162)        | (15)         | (227)          | (262)          | (329)          |                |                |
| Transportation and communication                            | (584)        | (245)        | (98)         | (177)        | (579)          | (320)          | (351)          | (262)          | (262)          |
| Building and construction                                   | 21           | (93)         | 57           | (11)         | (86)           | (142)          | (27)           | (11)           | (110)          |
| Power and water supply                                      | (65)         | (418)        | (256)        | (181)        | (257)          | (18)           | 2              | 53             | (43)           |
| Seafood   | 6            | 3            | (8)          | 1            | (4)            | 1              | (1)            | (4)            | 1              |
| Hotels and restaurants                                      | (2)          | (2)          | (4)          | 4            | (2)            | (0)            | (4)            | 6              | (9)            |
| Agriculture and forestry                                    | 2            | (2)          | 4            | (3)          | 6              | (13)           | 2              | 2              | 3              |
| Other sectors   | (0)          | (2)          | 2            | 1            | 0              | 0              | (0)            | 1              | 1              |
| Total customers   | (1 693)      | (985)        | (553)        | (464)        | (1 580)        | (1 580)        | (1 592)        | (528)          | (1 002)        |
| Credit institutions   |              |              |              |              |                |                |                |                |                |
| Change in collective impairment of loans                    | 1 292        | 118          | (44)         | (98)         | (172)          | (596)          | (729)          | (646)          | (418)          |
| <b>Impairment of loans and guarantees <sup>*)</sup></b>     | <b>(402)</b> | <b>(867)</b> | <b>(597)</b> | <b>(562)</b> | <b>(1 753)</b> | <b>(2 176)</b> | <b>(2 321)</b> | <b>(1 174)</b> | <b>(1 420)</b> |
| <i>*) Of which individual impairment of guarantees</i>      | <i>37</i>    | <i>(26)</i>  | <i>(226)</i> | <i>209</i>   | <i>(105)</i>   | <i>(147)</i>   | <i>(90)</i>    | <i>(2)</i>     | <i>0</i>       |

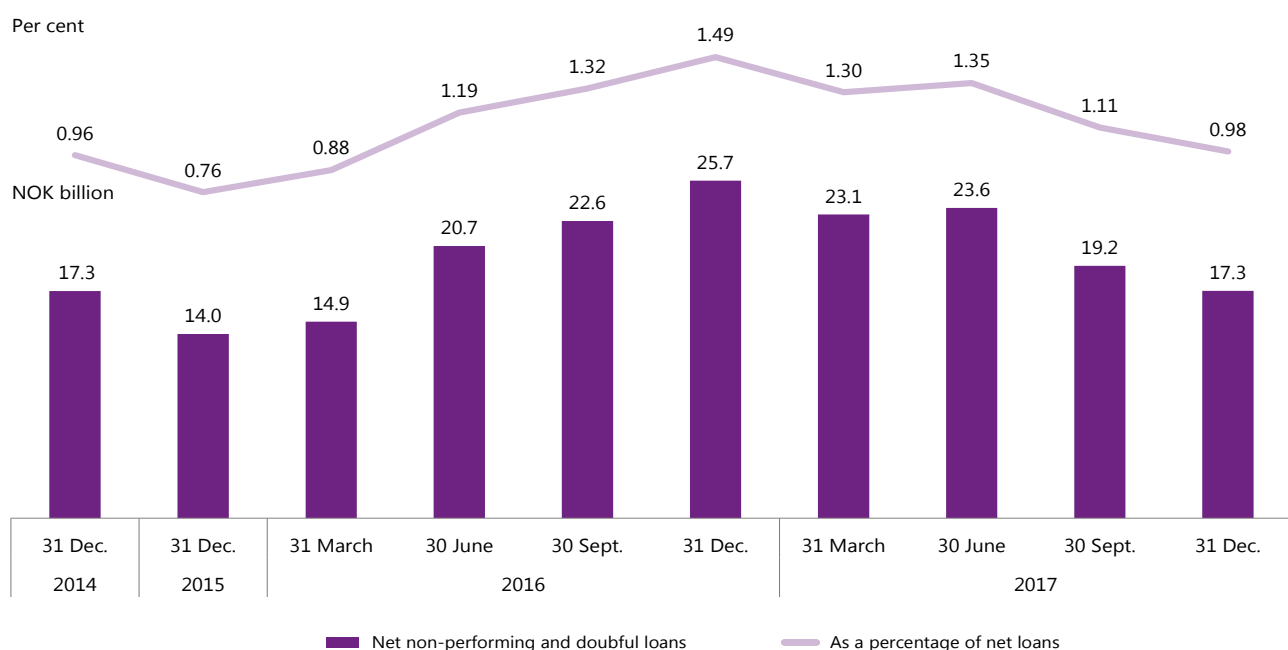
The breakdown into principal customer groups corresponds to the EU's standard industrial classification, NACE Rev.2 and deviate from the risk classification used in chapter 1.8 Commitments.

## 1.6.3 Impairment of loans and guarantees

| <i>Amounts in NOK million</i>                             | 4Q17         | 3Q17         | 2Q17         | 1Q17         | 4Q16           | 3Q16           | 2Q16           | 1Q16           | 4Q15           |
|---|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Write-offs  | (790)        | (503)        | (248)        | (120)        | (455)          | (103)          | (638)          | (163)          | (748)          |
| New/increased individual impairment                       | (1 201)      | (839)        | (1 019)      | (1 386)      | (1 519)        | (1 663)        | (1 335)        | (1 393)        | (672)          |
| Total new/increased individual impairment                 | (1 991)      | (1 343)      | (1 267)      | (1 506)      | (1 974)        | (1 767)        | (1 973)        | (1 556)        | (1 420)        |
| Reassessed individual impairment previous years           | 249          | 306          | 615          | 991          | 177            | 113            | 319            | 381            | 217            |
| Recoveries on loans and guarantees previously written off | 48           | 52           | 98           | 50           | 217            | 74             | 62             | 646            | 200            |
| Net individual impairment                                 | (1 693)      | (985)        | (553)        | (464)        | (1 580)        | (1 580)        | (1 592)        | (528)          | (1 002)        |
| Change in collective impairment of loans                  | 1 292        | 118          | (44)         | (98)         | (172)          | (596)          | (729)          | (646)          | (418)          |
| <b>Impairment of loans and guarantees</b>                 | <b>(402)</b> | <b>(867)</b> | <b>(597)</b> | <b>(562)</b> | <b>(1 753)</b> | <b>(2 176)</b> | <b>(2 321)</b> | <b>(1 174)</b> | <b>(1 420)</b> |

### 1.7.1 Net non-performing and net doubtful loans and guarantees

| Amounts in NOK million   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Non-performing loans and guarantees subject to individual impairment     | 12 105          | 13 201           | 13 000          | 14 167           | 15 244          | 13 968           | 13 081          | 13 176           | 12 542          |
| Non-performing loans and guarantees not subject to individual impairment | 2 842           | 4 110            | 4 789           | 4 043            | 4 322           | 3 037            | 3 125           | 3 123            | 2 463           |
| Doubtful loans and guarantees subject to individual impairment           | 11 554          | 12 114           | 16 312          | 15 826           | 17 214          | 16 006           | 13 350          | 7 513            | 7 641           |
| Gross non-performing and gross doubtful loans and guarantees             | 26 501          | 29 425           | 34 100          | 34 036           | 36 781          | 33 011           | 29 556          | 23 811           | 22 647          |
| Individual impairment  | (9 225)         | (10 253)         | (10 533)        | (10 958)         | (11 127)        | (10 422)         | (8 871)         | (8 883)          | (8 665)         |
| <b>Net non-performing and net doubtful loans and guarantees</b>          | <b>17 277</b>   | <b>19 172</b>    | <b>23 567</b>   | <b>23 078</b>    | <b>25 654</b>   | <b>22 589</b>    | <b>20 685</b>   | <b>14 928</b>    | <b>13 982</b>   |
| Collective impairment  | (3 162)         | (4 394)          | (4 601)         | (4 596)          | (4 488)         | (4 208)          | (3 816)         | (3 100)          | (2 527)         |
| Provision ratio (per cent) <sup>1)</sup>                                 | 46.7            | 49.8             | 44.4            | 45.7             | 42.5            | 44.3             | 42.9            | 50.3             | 49.4            |
| Provision ratio (per cent) <sup>2)</sup>                                 | 52.4            | 57.9             | 51.6            | 51.9             | 48.1            | 48.8             | 48.0            | 57.9             | 55.4            |
| Collateral for non-performing and doubtful loans and guarantees          | 15 316          | 17 646           | 23 041          | 22 786           | 24 355          | 18 438           | 18 280          | 11 906           | 11 674          |
| Coverage ratio (per cent)  | 104.5           | 109.7            | 112.0           | 112.6            | 108.7           | 100.2            | 104.8           | 100.3            | 101.0           |



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 up to and including 3Q17. Please refer to page 2 for further information on the deconsolidation of the Baltic portfolio.

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

| Amounts in NOK million  | 4Q17   | 3Q17    | 2Q17   | 1Q17    | 4Q16   | 3Q16    | 2Q16   | 1Q16   | 4Q15    |
|---|--------|---------|--------|---------|--------|---------|--------|--------|---------|
| Net non-performing and net doubtful loans and guarantees at beginning of period | 17 293 | 23 567  | 23 078 | 25 654  | 22 589 | 20 685  | 14 928 | 13 982 | 13 636  |
| Change in gross non-performing and gross doubtful loans and guarantees          | 239    | (4 675) | 64     | (2 744) | 3 769  | 3 455   | 5 745  | 1 164  | (1 001) |
| Change in individual impairment   | (255)  | 280     | 425    | 169     | (705)  | (1 551) | 12     | (218)  | 1 347   |
| Net non-performing and net doubtful loans and guarantees at end of period       | 17 277 | 19 172  | 23 567 | 23 078  | 25 654 | 22 589  | 20 685 | 14 928 | 13 982  |

Includes volumes in the Baltics up to and including 3Q17. Please refer to page 2 for further information on the deconsolidation of the Baltic portfolio.

### 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 |               |               |
|---|--|---------------|---------------|-----------------------------------|-----------------|-----------------|--|---------------|---------------|
|   | 31 Dec. 2017   | 30 Sept. 2017 | 31 Dec. 2016  | 31 Dec. 2017                      | 30 Sept. 2017   | 31 Dec. 2016    | 31 Dec. 2017   | 30 Sept. 2017 | 31 Dec. 2016  |
| <i>Amounts in NOK million</i>   |  |               |               |                                   |                 |                 |  |               |               |
| Private individuals   | 2 732  | 3 580         | 3 907         | (695)                             | (1 220)         | (1 617)         | 2 037  | 2 360         | 2 290         |
| Transportation by sea and pipelines and vessel construction                 | 2 787  | 3 598         | 4 995         | (1 407)                           | (1 849)         | (2 247)         | 1 381  | 1 749         | 2 748         |
| Real estate   | 1 220  | 2 225         | 2 760         | (531)                             | (1 004)         | (934)           | 689  | 1 221         | 1 826         |
| Manufacturing   | 2 892  | 3 042         | 5 800         | (1 112)                           | (1 313)         | (1 814)         | 1 780  | 1 729         | 3 986         |
| Services  | 947  | 909           | 1 508         | (477)                             | (516)           | (712)           | 469  | 393           | 797           |
| Trade   | 2 177  | 982           | 1 255         | (779)                             | (570)           | (465)           | 1 398  | 412           | 790           |
| Oil and gas   | 3 805  | 3 706         | 4 368         | (1 038)                           | (853)           | (744)           | 2 767  | 2 853         | 3 625         |
| Transportation and communication  | 3 334  | 3 297         | 5 528         | (1 391)                           | (1 006)         | (1 623)         | 1 943  | 2 290         | 3 905         |
| Building and construction   | 1 049  | 1 108         | 1 446         | (494)                             | (614)           | (697)           | 556  | 494           | 749           |
| Power and water supply  | 2 571  | 2 559         | 539           | (1 228)                           | (1 175)         | (154)           | 1 343  | 1 383         | 386           |
| Seafood   | 27   | 38            | 61            | (16)                              | (21)            | (16)            | 11   | 17            | 44            |
| Hotels and restaurants  | 48   | 103           | 104           | (24)                              | (57)            | (43)            | 24   | 47            | 61            |
| Agriculture and forestry  | 68   | 142           | 157           | (31)                              | (46)            | (50)            | 38   | 96            | 107           |
| Other sectors   | 2  | 27            | 30            | (1)                               | (9)             | (10)            | 1  | 17            | 19            |
| Total customers   | 23 660   | 25 315        | 32 458        | (9 225)                           | (10 253)        | (11 127)        | 14 435   | 15 062        | 21 331        |
| Credit institutions   |  |               |               |                                   |                 |                 |  |               |               |
| Total impaired loans and guarantees   | 23 660   | 25 315        | 32 458        | (9 225)                           | (10 253)        | (11 127)        | 14 435   | 15 062        | 21 331        |
| Non-performing loans and guarantees not subject to impairment               | 2 842  | 4 110         | 4 322         | -                                 | -               | -               | 2 842  | 4 110         | 4 322         |
| <b>Total non-performing and doubtful loans and guarantees <sup>*)</sup></b> | <b>26 502</b>  | <b>29 425</b> | <b>36 781</b> | <b>(9 225)</b>                    | <b>(10 253)</b> | <b>(11 127)</b> | <b>17 277</b>  | <b>19 172</b> | <b>25 654</b> |

\*) of which Baltics and Poland:

|   |            |              |              |              |                |                |            |              |              |
|---|------------|--------------|--------------|--------------|----------------|----------------|------------|--------------|--------------|
| Private individuals   | 103        | 1 039        | 1 356        | (42)         | (568)          | (748)          | 61         | 471          | 608          |
| Transportation by sea and pipelines and vessel construction   |            |              |              |              |                |                |            |              |              |
| Real estate   | 67         | 1 033        | 1 112        | (15)         | (387)          | (402)          | 51         | 646          | 710          |
| Manufacturing   | 20         | 359          | 642          | (19)         | (148)          | (283)          | 1          | 211          | 359          |
| Services  | 8          | 69           | 52           | (8)          | (34)           | (30)           | (0)        | 36           | 22           |
| Trade   | 19         | 150          | 157          | (18)         | (95)           | (95)           | 1          | 55           | 62           |
| Oil and gas   |            |              |              |              |                |                |            |              |              |
| Transportation and communication                              | 7          | 79           | 89           | (7)          | (61)           | (62)           | 0          | 19           | 27           |
| Building and construction                                     | 96         | 243          | 263          | (94)         | (196)          | (209)          | 2          | 47           | 54           |
| Power and water supply  | 533        | 551          | 109          | (130)        | (101)          | (20)           | 403        | 450          | 89           |
| Seafood   |            |              |              |              |                |                |            |              |              |
| Hotels and restaurants  |            | 57           | 55           |              | (32)           | (21)           |            | 25           | 34           |
| Agriculture and forestry                                      | 1          | 68           | 107          | (1)          | (14)           | (22)           | 0          | 54           | 85           |
| Other sectors   |            | 23           | 23           |              | (8)            | (8)            |            | 15           | 15           |
| Total customers   | 853        | 3 672        | 3 965        | (334)        | (1 643)        | (1 899)        | 519        | 2 028        | 2 066        |
| Credit institutions   |            |              |              |              |                |                |            |              |              |
| Total impaired loans and guarantees                           | 853        | 3 672        | 3 965        | (334)        | (1 643)        | (1 899)        | 519        | 2 028        | 2 066        |
| Non-performing loans and guarantees not subject to impairment |            | 420          | 398          | -            | -              | -              |            | 420          | 398          |
| <b>Total non-performing and doubtful loans and guarantees</b> | <b>853</b> | <b>4 091</b> | <b>4 363</b> | <b>(334)</b> | <b>(1 643)</b> | <b>(1 899)</b> | <b>519</b> | <b>2 448</b> | <b>2 464</b> |

Includes volumes in the Baltics up to and including 3Q17. Please refer to page 2 for further information on the deconsolidation of the Baltic portfolio.

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

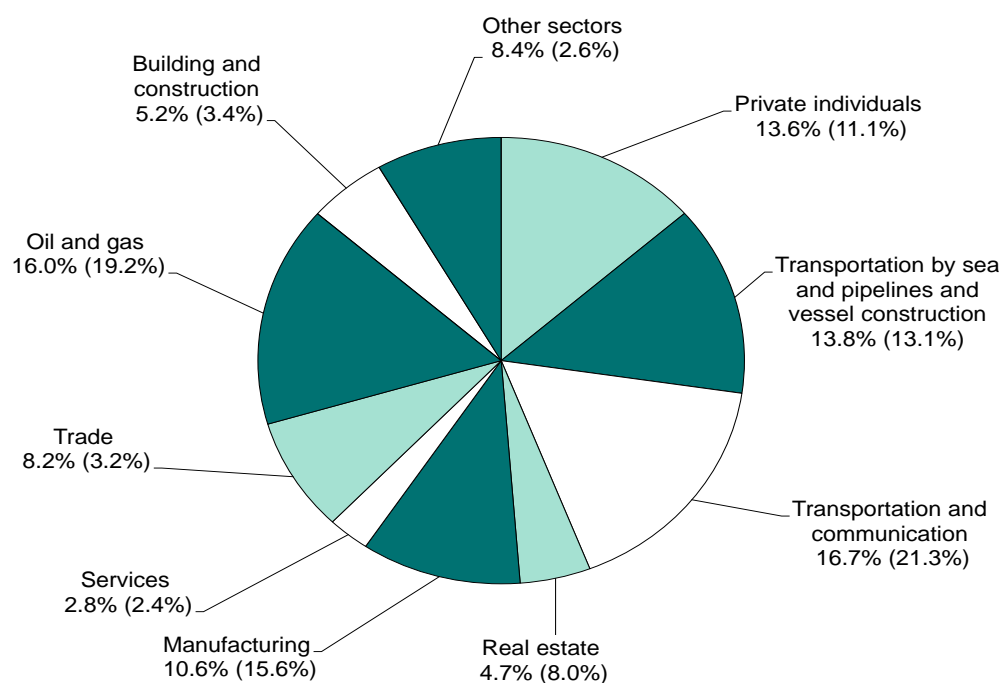
| Amounts in NOK million   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Personal customers   | 2 152           | 2 107            | 2 148           | 2 122            | 1 846           | 2 022            | 2 014           | 1 943            | 2 084           |
| Small and medium-sized enterprises   | 3 223           | 3 173            | 4 178           | 3 417            | 3 799           | 3 698            | 2 681           | 2 703            | 2 357           |
| Large corporates and international customers <sup>*)</sup>                           | 11 892          | 13 872           | 17 222          | 17 523           | 19 999          | 16 860           | 15 988          | 10 280           | 9 539           |
| Traditional pension products   | 10              | 19               | 19              | 17               | 10              | 9                | 3               | 3                | 1               |
| <b>Total net non-performing and net doubtful loans and guarantees <sup>**)</sup></b> | <b>17 277</b>   | <b>19 172</b>    | <b>23 567</b>   | <b>23 078</b>    | <b>25 654</b>   | <b>22 589</b>    | <b>20 685</b>   | <b>14 928</b>    | <b>13 982</b>   |
| <i>*) Of which Baltics and Poland</i>  | <i>519</i>      | <i>2 448</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>**) Of which Norwegian units</i>  | <i>12 805</i>   | <i>12 367</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>    |

Includes volumes in the Baltics up to and including 3Q17. Please refer to page 2 for further information on the deconsolidation of the Baltic portfolio.

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 17 277 million as at 31 December 2017 (25 654)



Figures for 2016 includes NOK 2 256 million in the Baltics at end-December 2016, reclassified as assets held for sale in August 2016. Please refer to page 2 for further information on the deconsolidation of the Baltic portfolio.

Includes non-performing loans and guarantees and loans and guarantees subject to individual impairment. Comparable figures as at 31 December 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

|  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK million</i>                  |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Personal customers                             | (160)           | (147)            | (128)           | (122)            | (197)           | (254)            | (249)           | (260)            | (282)           |
| Small and medium-sized enterprises             | (408)           | (360)            | (349)           | (368)            | (447)           | (468)            | (451)           | (436)            | (381)           |
| Large corporates and international customers   | (2 589)         | (4 000)          | (4 249)         | (4 208)          | (3 949)         | (3 582)          | (3 113)         | (2 401)          | (1 860)         |
| Traditional pension products                   | (5)             | (5)              | (5)             | (5)              | (7)             | (3)              | (3)             | (3)              | -3              |
| Baltics - reclassified as assets held for sale | -               | 118              | 129             | 107              | 111             | 99               | -               | -                | -               |
| <b>Total collective impairment of loans</b>    | <b>(3 162)</b>  | <b>(4 394)</b>   | <b>(4 601)</b>  | <b>(4 596)</b>   | <b>(4 488)</b>  | <b>(4 208)</b>   | <b>(3 816)</b>  | <b>(3 100)</b>   | <b>(2 527)</b>  |

### 1.7.7 Collective impairment for principal customer groups

|   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK million</i>                               |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Private individuals   | (225)           | (284)            | (278)           | (260)            | (332)           | (383)            | (388)           | (400)            | (403)           |
| Transportation by sea and pipelines and vessel construction | (1 889)         | (2 747)          | (2 752)         | (2 719)          | (2 322)         | (2 023)          | (1 627)         | (1 072)          | (727)           |
| Real estate   | (83)            | (75)             | (69)            | (66)             | (81)            | (91)             | (97)            | (89)             | (88)            |
| Manufacturing   | (145)           | (209)            | (228)           | (234)            | (239)           | (318)            | (347)           | (371)            | (397)           |
| Services  | (47)            | (101)            | (137)           | (124)            | (127)           | (142)            | (154)           | (144)            | (159)           |
| Trade   | (100)           | (149)            | (211)           | (126)            | (138)           | (150)            | (175)           | (173)            | (174)           |
| Oil and gas   | (456)           | (756)            | (863)           | (1 001)          | (1 175)         | (988)            | (787)           | (634)            | (368)           |
| Transportation and communication                            | (105)           | (72)             | (56)            | (51)             | (53)            | (59)             | (79)            | (63)             | (50)            |
| Building and construction                                   | (79)            | (75)             | (70)            | (63)             | (68)            | (74)             | (77)            | (77)             | (80)            |
| Power and water supply                                      | (13)            | (15)             | (40)            | (34)             | (37)            | (51)             | (58)            | (46)             | (26)            |
| Seafood   | (4)             | (5)              | (3)             | (5)              | (5)             | (7)              | (8)             | (12)             | (14)            |
| Hotels and restaurants                                      | (6)             | (7)              | (7)             | (7)              | (6)             | (6)              | (7)             | (7)              | (15)            |
| Agriculture and forestry                                    | (5)             | (7)              | (6)             | (5)              | (6)             | (7)              | (8)             | (8)              | (8)             |
| Other sectors   | (4)             | (8)              | (9)             | (8)              | (9)             | (7)              | (6)             | (5)              | (18)            |
| <b>Total customers</b>                                      | <b>(3 162)</b>  | <b>(4 512)</b>   | <b>(4 730)</b>  | <b>(4 703)</b>   | <b>(4 599)</b>  | <b>(4 307)</b>   | <b>(3 816)</b>  | <b>(3 100)</b>   | <b>(2 527)</b>  |
| Credit institutions   |                 | (0)              | (0)             | (0)              |                 |                  |                 |                  |                 |
| Baltics - reclassified as assets held for sale              | -               | 118              | 129             | 107              | 111             | 99               | -               | -                | -               |
| <b>Total collective impairment of loans</b>                 | <b>(3 162)</b>  | <b>(4 394)</b>   | <b>(4 601)</b>  | <b>(4 596)</b>   | <b>(4 488)</b>  | <b>(4 208)</b>   | <b>(3 816)</b>  | <b>(3 100)</b>   | <b>(2 527)</b>  |

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 DNB Group

### Exposure at default by industry segment <sup>1) \*)</sup>

| <i>Amounts in NOK billion</i>                                     | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Commercial real estate <sup>2) 3)</sup>                           | 183.4           | 187.4            | 196.8           | 205.0            | 202.3           | 208.9            | 212.9           | 209.8            | 214.7           |
| Shipping <sup>2)</sup>  | 87.9            | 90.8             | 101.0           | 106.8            | 108.7           | 109.5            | 118.3           | 121.1            | 133.5           |
| Oil, gas and offshore <sup>2)</sup>                               | 108.9           | 114.5            | 122.9           | 131.1            | 138.1           | 140.5            | 150.5           | 155.2            | 165.8           |
| Power and renewables  | 40.1            | 39.8             | 47.6            | 45.7             | 46.0            | 43.5             | 44.2            | 46.9             | 49.9            |
| Healthcare  | 32.7            | 34.2             | 33.3            | 34.0             | 33.2            | 34.0             | 43.8            | 44.6             | 38.5            |
| Public sector <sup>4)</sup>                                       | 10.4            | 32.4             | 33.9            | 35.4             | 34.6            | 35.5             | 39.1            | 37.3             | 34.6            |
| Fishing and fish farming  | 35.8            | 39.6             | 37.3            | 37.1             | 39.1            | 37.0             | 36.3            | 37.2             | 38.6            |
| Trade   | 47.5            | 53.9             | 53.8            | 52.1             | 48.6            | 48.9             | 50.9            | 47.2             | 49.4            |
| Manufacturing   | 78.4            | 80.7             | 87.0            | 83.6             | 85.1            | 84.5             | 88.9            | 86.5             | 91.0            |
| Technology, media and telecom                                     | 39.6            | 37.6             | 42.4            | 41.3             | 38.6            | 36.6             | 35.7            | 35.8             | 38.3            |
| Services  | 52.5            | 38.9             | 40.3            | 40.5             | 35.6            | 35.6             | 36.2            | 34.8             | 37.4            |
| Residential property <sup>3)</sup>                                | 91.0            | 91.3             | 80.1            | 64.4             | 62.7            | 60.8             | 59.5            | 58.5             | 53.3            |
| Mortgages and other exposures, personal customers <sup>**) </sup> | 960.7           | 978.9            | 975.2           | 963.0            | 944.4           | 942.3            | 922.9           | 898.9            | 884.7           |
| Other corporate customers   | 72.6            | 74.6             | 80.2            | 82.6             | 80.4            | 81.7             | 76.8            | 75.8             | 82.0            |
| <b>Total customers</b>  | <b>1 841.6</b>  | <b>1 894.5</b>   | <b>1 931.7</b>  | <b>1 922.7</b>   | <b>1 897.5</b>  | <b>1 899.2</b>   | <b>1 916.0</b>  | <b>1 889.6</b>   | <b>1 911.6</b>  |
| Credit institutions   | 35.7            | 35.4             | 34.7            | 31.1             | 25.3            | 23.6             | 23.3            | 29.1             | 28.0            |
| <b>Total net exposure at default, DNB Group</b>                   | <b>1 877.4</b>  | <b>1 929.9</b>   | <b>1 966.4</b>  | <b>1 953.8</b>   | <b>1 922.8</b>  | <b>1 922.9</b>   | <b>1 939.3</b>  | <b>1 918.7</b>   | <b>1 939.7</b>  |
| <i>*) Of wich international portfolio:</i>                        | 389.3           | 438.2            | 470.2           | 475.0            | 466.3           | 465.9            | 497.3           | 507.5            | 528.5           |
| <i>**) Of which:</i>  |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Mortgages   | 829.3           | 848.2            | 835.4           | 825.5            | 808.6           | 806.1            | 787.1           | 763.6            | 749.9           |
| Other exposures   | 131.4           | 130.6            | 139.9           | 137.5            | 135.9           | 136.1            | 135.7           | 135.2            | 134.7           |

1) Exposure at default, EAD, is the share of the approved credit that is expected to be drawn at the time of any future default at the same time as there is a downturn in the market. Exposures at default are based on full implementation of IRB.

2) For a breakdown, see tables 1.8.3 - 1.8.5.

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

4) Public financed business segment is no longer part of Public Sector and volumes have been redistributed to other segments that reflect better customer's main activities.

Includes volumes in the Baltics up to and including 30 September 2017. Please refer to page 2 for further information on the deconsolidation of the Baltic portfolio.

## 1.8.1 DNB Group (continued)

### Risk classification of portfolio <sup>1) \*)</sup>

| Amounts in NOK billion                          | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| PD 0.01% -                                      | 1 354.9         | 1 373.1          | 1 391.1         | 1 377.2          | 1 339.4         | 1 325.9          | 1 320.6         | 1 315.0          | 1 322.6         |
| PD 0.75% -                                      | 407.8           | 424.2            | 435.8           | 432.1            | 431.5           | 449.8            | 465.3           | 464.0            | 505.2           |
| PD 3.00% -                                      | 92.2            | 107.6            | 110.1           | 116.4            | 121.2           | 119.1            | 125.0           | 119.5            | 93.2            |
| Net non-performing and net doubtful commitments | 22.6            | 25.0             | 29.4            | 28.1             | 30.7            | 28.1             | 28.5            | 20.3             | 18.7            |
| Total portfolio                                 | 1 877.4         | 1 929.9          | 1 966.4         | 1 953.8          | 1 922.8         | 1 922.9          | 1 939.3         | 1 918.7          | 1 939.7         |

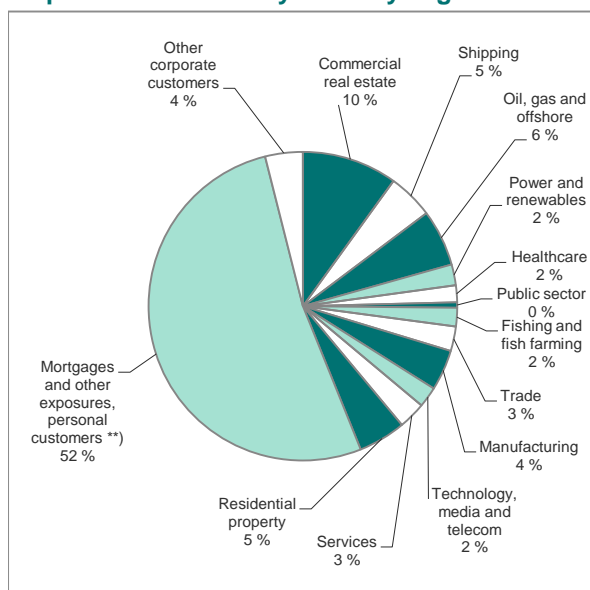
\*) Of which international portfolio:

|   |       |       |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| PD 0.01% -                                      | 258.6 | 281.5 | 298.2 | 294.9 | 282.6 | 285.5 | 301.5 | 314.4 | 334.0 |
| PD 0.75% -                                      | 87.5  | 104.4 | 113.5 | 118.3 | 120.3 | 122.1 | 135.8 | 144.3 | 159.4 |
| PD 3.00% -                                      | 33.5  | 39.3  | 43.1  | 48.4  | 47.9  | 45.6  | 45.5  | 39.3  | 25.4  |
| Net non-performing and net doubtful commitments | 9.8   | 12.9  | 15.2  | 13.4  | 15.5  | 12.7  | 14.6  | 9.5   | 9.7   |
| Total international portfolio                   | 389.3 | 438.2 | 470.2 | 475.0 | 466.3 | 465.9 | 497.3 | 507.5 | 528.5 |

1) For a breakdown of commercial real estate, shipping and oil, gas and offshore, see tables 1.8.3 - 1.8.5.

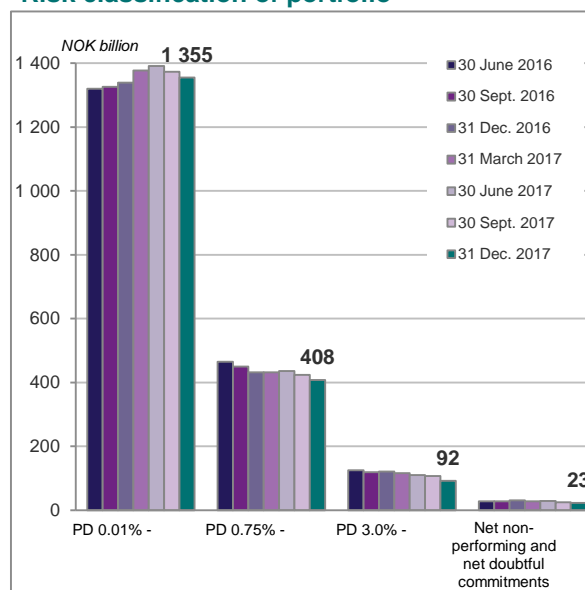
Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

### Exposure at default by industry segment



\*\*) Of which mortgages 45 per cent.

### Risk classification of portfolio



Including net non-performing and net doubtful loans and guarantees.

## 1.8.2 Customer segments

### Exposure at default by industry segment

#### Personal customers

|                                      | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--------------------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK billion</i>        |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Mortgages                            | 828.4           | 817.4            | 804.1           | 795.5            | 778.8           | 775.8            | 755.6           | 731.5            | 717.1           |
| Other exposures                      | 92.7            | 99.5             | 110.7           | 109.6            | 109.0           | 111.2            | 111.2           | 110.8            | 110.4           |
| Total customers                      | <b>921.1</b>    | <b>916.9</b>     | <b>914.7</b>    | <b>905.1</b>     | <b>887.8</b>    | <b>887.0</b>     | <b>866.7</b>    | <b>842.3</b>     | <b>827.5</b>    |
| Credit institutions                  |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| <b>Total net exposure at default</b> | <b>921.1</b>    | <b>916.9</b>     | <b>914.7</b>    | <b>905.1</b>     | <b>887.8</b>    | <b>887.0</b>     | <b>866.7</b>    | <b>842.3</b>     | <b>827.5</b>    |

#### Small and medium-sized enterprises

|   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK billion</i>                     |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Commercial real estate <sup>1)</sup>              | 105.0           | 102.5            | 112.0           | 112.5            | 109.5           | 105.9            | 103.4           | 98.5             | 100.6           |
| Shipping  | 0.6             | 0.8              | 0.9             | 0.9              | 1.2             | 0.8              | 1.1             | 1.1              | 1.2             |
| Oil, gas and offshore                             | 0.4             | 0.3              | 0.4             | 0.6              | 0.5             | 0.5              | 0.5             | 0.5              | 0.6             |
| Power and renewables                              | 10.1            | 8.7              | 8.6             | 8.7              | 8.6             | 7.0              | 6.8             | 7.2              | 7.3             |
| Healthcare  | 0.0             | 0.0              | 0.1             | 0.1              | 0.1             | 0.1              | 0.1             | 0.1              | 0.1             |
| Public sector <sup>*)</sup>                       | 3.5             | 14.2             | 14.8            | 13.8             | 12.7            | 13.1             | 14.0            | 14.3             | 14.6            |
| Fishing and fish farming                          | 15.6            | 15.1             | 14.6            | 15.0             | 15.2            | 14.5             | 13.8            | 13.9             | 14.0            |
| Trade   | 18.8            | 17.5             | 17.3            | 17.0             | 16.0            | 16.9             | 17.2            | 17.3             | 17.2            |
| Manufacturing                                     | 18.7            | 18.6             | 16.7            | 17.6             | 18.5            | 19.4             | 18.8            | 17.8             | 18.1            |
| Technology, media and telecom                     | 2.4             | 2.1              | 2.1             | 2.0              | 1.6             | 1.7              | 1.6             | 1.5              | 2.0             |
| Services  | 21.1            | 13.1             | 13.1            | 12.8             | 10.4            | 10.4             | 10.4            | 10.6             | 10.3            |
| Residential property                              | 62.5            | 59.7             | 47.5            | 43.7             | 43.2            | 43.0             | 42.9            | 43.3             | 42.0            |
| Mortgages and other exposures, personal customers | 31.6            | 29.1             | 27.3            | 26.3             | 24.5            | 21.4             | 21.3            | 20.9             | 21.2            |
| Other corporate customers                         | 29.2            | 28.8             | 28.7            | 29.8             | 26.2            | 25.9             | 24.3            | 25.0             | 25.0            |
| Total customers                                   | <b>319.6</b>    | <b>310.7</b>     | <b>303.9</b>    | <b>300.7</b>     | <b>288.1</b>    | <b>280.6</b>     | <b>276.1</b>    | <b>272.1</b>     | <b>274.2</b>    |
| Credit institutions                               | 5.0             | 3.5              | 3.8             | 4.1              | 3.9             | 4.0              | 4.0             | 4.1              | 4.2             |
| <b>Total net exposure at default</b>              | <b>324.6</b>    | <b>314.2</b>     | <b>307.8</b>    | <b>304.7</b>     | <b>292.1</b>    | <b>284.6</b>     | <b>280.1</b>    | <b>276.2</b>     | <b>278.5</b>    |

#### Large corporates and international customers

|   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK billion</i>                     |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Commercial real estate <sup>1)</sup>              | 78.4            | 84.9             | 84.8            | 92.4             | 92.8            | 103.0            | 109.5           | 111.2            | 114.1           |
| Shipping  | 87.3            | 90.0             | 100.1           | 105.9            | 107.5           | 108.6            | 117.2           | 120.0            | 132.3           |
| Oil, gas and offshore                             | 108.5           | 114.1            | 122.5           | 130.6            | 137.6           | 140.0            | 150.0           | 154.7            | 165.2           |
| Power and renewables                              | 30.0            | 31.1             | 39.0            | 37.0             | 37.4            | 36.5             | 37.4            | 39.7             | 42.6            |
| Healthcare  | 32.7            | 34.2             | 33.3            | 34.0             | 33.1            | 33.9             | 43.7            | 44.5             | 38.4            |
| Public sector                                     | 6.9             | 18.1             | 19.1            | 21.6             | 21.9            | 22.4             | 25.1            | 23.0             | 20.4            |
| Fishing and fish farming                          | 20.2            | 24.5             | 22.7            | 22.1             | 23.9            | 22.6             | 22.5            | 23.3             | 24.9            |
| Trade   | 28.7            | 36.4             | 36.5            | 35.1             | 32.7            | 32.0             | 33.7            | 30.0             | 32.8            |
| Manufacturing                                     | 59.8            | 62.1             | 70.3            | 66.0             | 66.6            | 65.1             | 70.1            | 68.7             | 73.4            |
| Technology, media and telecom                     | 37.2            | 35.5             | 40.3            | 39.3             | 37.0            | 34.9             | 34.2            | 34.3             | 36.5            |
| Services  | 31.5            | 25.8             | 27.2            | 27.7             | 25.2            | 25.2             | 25.8            | 24.2             | 28.5            |
| Residential property                              | 28.5            | 31.6             | 32.6            | 20.7             | 19.5            | 18.8             | 17.9            | 16.6             | 12.9            |
| Mortgages and other exposures, personal customers | 8.0             | 32.9             | 33.2            | 31.6             | 32.1            | 32.8             | 33.6            | 33.8             | 31.0            |
| Other corporate customers                         | 43.4            | 45.8             | 51.5            | 52.9             | 54.3            | 55.8             | 52.5            | 51.2             | 57.0            |
| Total customers                                   | <b>600.9</b>    | <b>666.9</b>     | <b>713.0</b>    | <b>716.9</b>     | <b>721.6</b>    | <b>731.6</b>     | <b>773.2</b>    | <b>775.3</b>     | <b>809.9</b>    |
| Credit institutions                               | 30.7            | 31.9             | 30.9            | 27.0             | 21.3            | 19.7             | 19.3            | 25.0             | 23.8            |
| <b>Total net exposure at default</b>              | <b>631.6</b>    | <b>698.8</b>     | <b>743.9</b>    | <b>744.0</b>     | <b>742.9</b>    | <b>751.2</b>     | <b>792.5</b>    | <b>800.3</b>     | <b>833.7</b>    |

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

\*) Public financed business segment is no longer part of Public Sector and volumes have been redistributed to other segments that reflect better customer's main activities.

The breakdown into principal customer groups is based on the internal segmentation in DNB.

## 1.8.2 Customer segments (continued)

### Risk classification of portfolio

|   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK billion</i>                             |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| <i>PD 0.01% -</i>   |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Personal customers  | 736.9           | 726.2            | 722.0           | 726.7            | 709.1           | 700.1            | 681.2           | 666.3            | 649.5           |
| Small and medium-sized enterprises                        | 202.7           | 194.0            | 190.4           | 187.6            | 178.4           | 170.0            | 165.8           | 162.6            | 163.8           |
| Large corporates and international customers              | 415.2           | 452.9            | 478.7           | 462.9            | 451.8           | 455.8            | 473.6           | 486.1            | 509.3           |
| Total DNB Group   | 1 354.9         | 1 373.1          | 1 391.1         | 1 377.2          | 1 339.4         | 1 325.9          | 1 320.6         | 1 315.0          | 1 322.6         |
| <i>PD 0.75% -</i>   |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Personal customers  | 167.4           | 172.8            | 175.3           | 160.7            | 160.4           | 167.9            | 166.2           | 157.0            | 158.0           |
| Small and medium-sized enterprises                        | 97.5            | 94.4             | 92.5            | 93.8             | 88.3            | 87.9             | 88.5            | 88.2             | 89.3            |
| Large corporates and international customers              | 142.9           | 157.0            | 168.0           | 177.5            | 182.8           | 194.0            | 210.6           | 218.8            | 257.9           |
| Total DNB Group   | 407.8           | 424.2            | 435.8           | 432.1            | 431.5           | 449.8            | 465.3           | 464.0            | 505.2           |
| <i>PD 3.00% -</i>   |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Personal customers  | 14.4            | 15.6             | 14.8            | 15.4             | 15.8            | 16.6             | 16.5            | 16.4             | 17.4            |
| Small and medium-sized enterprises                        | 20.7            | 21.8             | 20.0            | 19.2             | 21.3            | 21.8             | 21.8            | 21.6             | 21.5            |
| Large corporates and international customers              | 57.0            | 70.2             | 75.3            | 81.8             | 84.1            | 80.7             | 86.7            | 81.5             | 54.3            |
| Total DNB Group   | 92.2            | 107.6            | 110.1           | 116.4            | 121.2           | 119.1            | 125.0           | 119.5            | 93.2            |
| <i>Net non-performing and net doubtful commitments</i>    |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Personal customers  | 2.4             | 2.3              | 2.6             | 2.4              | 2.4             | 2.5              | 2.8             | 2.6              | 2.6             |
| Small and medium-sized enterprises                        | 3.8             | 3.9              | 4.9             | 4.1              | 4.0             | 4.9              | 4.0             | 3.8              | 3.9             |
| Large corporates and international customers              | 16.4            | 18.7             | 21.9            | 21.7             | 24.3            | 20.7             | 21.6            | 13.9             | 12.2            |
| Total DNB Group   | 22.6            | 25.0             | 29.4            | 28.1             | 30.7            | 28.1             | 28.5            | 20.3             | 18.7            |
| Total Personal customers                                  | 921.1           | 916.9            | 914.7           | 905.1            | 887.8           | 887.0            | 866.7           | 842.3            | 827.5           |
| Total Small and medium-sized enterprises                  | 324.6           | 314.2            | 307.8           | 304.7            | 292.1           | 284.6            | 280.1           | 276.2            | 278.5           |
| Large corporates and international customers              | 631.6           | 698.8            | 743.9           | 744.0            | 742.9           | 751.2            | 792.5           | 800.3            | 833.7           |
| <b>Total risk classification of portfolio - DNB Group</b> | <b>1 877.4</b>  | <b>1 929.9</b>   | <b>1 966.4</b>  | <b>1 953.8</b>   | <b>1 922.8</b>  | <b>1 922.9</b>   | <b>1 939.3</b>  | <b>1 918.7</b>   | <b>1 939.7</b>  |

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

### 1.8.3 Breakdown of commercial real estate

#### Exposure at default by segment

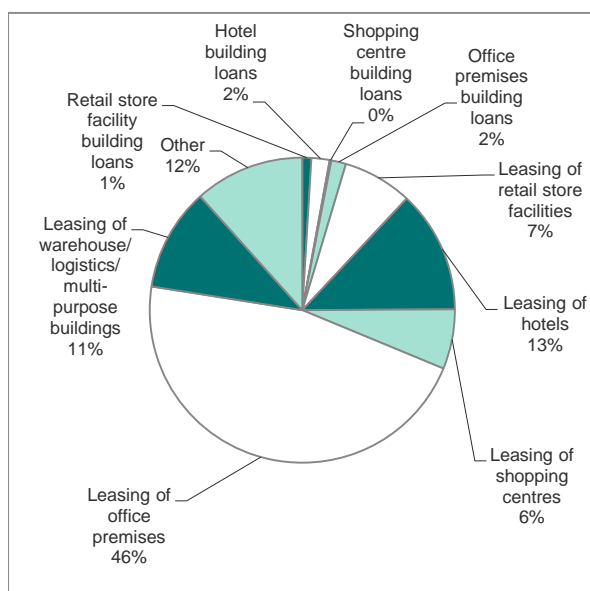
| Amounts in NOK billion                                   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Retail store facility building loans                     | 1.7             | 1.7              | 1.5             | 1.8              | 1.6             | 1.8              | 1.6             | 1.9              | 1.7             |
| Hotel building loans                                     | 3.5             | 2.6              | 2.2             | 9.3              | 9.2             | 8.8              | 8.9             | 9.1              | 5.7             |
| Shopping centre building loans                           | 0.3             | 0.3              | 0.3             | 2.2              | 2.2             | 2.3              | 2.3             | 2.4              | 2.3             |
| Office premises building loans                           | 2.9             | 3.1              | 3.2             | 4.6              | 5.3             | 4.9              | 1.7             | 4.8              | 4.0             |
| Leasing of retail store facilities                       | 13.5            | 13.2             | 9.0             | 8.9              | 8.9             | 9.7              | 9.7             | 11.0             | 10.4            |
| Leasing of hotels  | 23.7            | 23.7             | 22.2            | 14.3             | 13.6            | 15.3             | 16.1            | 17.3             | 20.3            |
| Leasing of shopping centres                              | 11.7            | 12.7             | 11.8            | 9.6              | 10.0            | 10.4             | 10.2            | 2.7              | 9.3             |
| Leasing of office premises                               | 84.8            | 89.4             | 88.0            | 95.0             | 93.0            | 100.6            | 102.5           | 100.0            | 91.1            |
| Leasing of warehouse/ logistics/ multi-purpose buildings | 20.0            | 18.8             | 14.3            | 14.7             | 16.8            | 17.4             | 15.7            | 17.5             | 17.7            |
| Other  | 21.3            | 22.0             | 44.2            | 44.6             | 41.7            | 37.6             | 44.1            | 43.1             | 52.3            |
| <b>Total <sup>1)</sup></b>                               | <b>183.4</b>    | <b>187.4</b>     | <b>196.8</b>    | <b>205.0</b>     | <b>202.3</b>    | <b>208.9</b>     | <b>212.9</b>    | <b>209.8</b>     | <b>214.7</b>    |

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

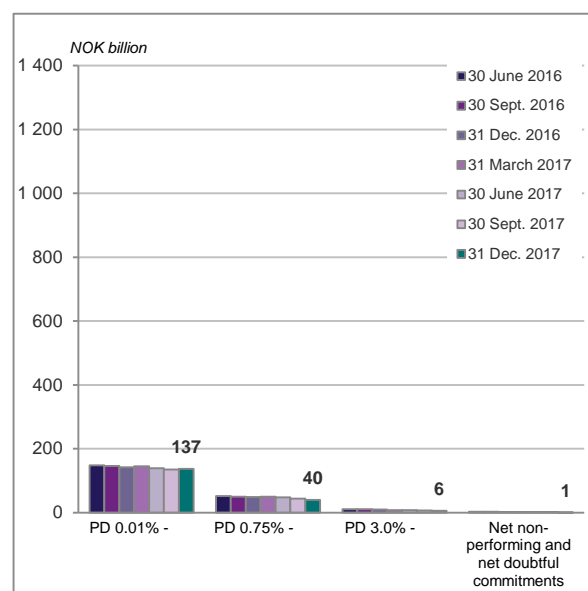
#### Risk classification of portfolio

| Amounts in NOK billion                          | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| PD 0.01% -                                      | 137.0           | 135.3            | 138.6           | 144.9            | 141.7           | 146.0            | 148.0           | 146.7            | 147.7           |
| PD 0.75% -                                      | 39.7            | 44.0             | 48.1            | 49.9             | 49.2            | 49.6             | 52.0            | 49.4             | 53.6            |
| PD 3.00% -                                      | 6.1             | 6.3              | 8.0             | 8.1              | 9.3             | 11.0             | 10.5            | 11.0             | 10.5            |
| Net non-performing and net doubtful commitments | 0.7             | 1.8              | 2.1             | 2.0              | 2.1             | 2.3              | 2.4             | 2.7              | 2.8             |
| <b>Total</b>                                    | <b>183.4</b>    | <b>187.4</b>     | <b>196.8</b>    | <b>205.0</b>     | <b>202.3</b>    | <b>208.9</b>     | <b>212.9</b>    | <b>209.8</b>     | <b>214.7</b>    |

#### Exposure at default by segment



#### 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.

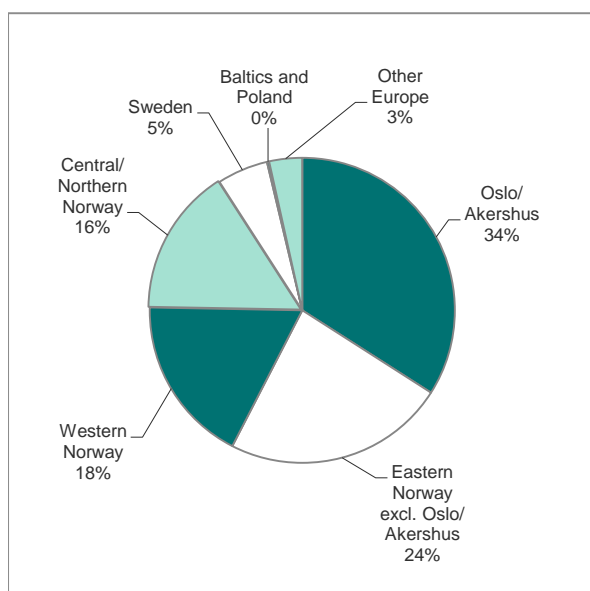
### 1.8.3 Breakdown of commercial real estate (continued)

#### Exposure at default by geographic distribution

| Amounts in NOK billion              | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|-------------------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Oslo/ Akershus                      | 62.5            | 59.0             | 61.5            | 68.4             | 52.7            | 55.0             | 57.2            | 56.5             | 59.9            |
| Eastern Norway excl. Oslo/ Akershus | 43.1            | 43.3             | 45.6            | 45.5             | 57.3            | 58.3             | 57.6            | 49.8             | 52.3            |
| Western Norway                      | 32.5            | 31.8             | 34.2            | 35.0             | 42.2            | 44.6             | 44.5            | 45.6             | 46.2            |
| Central/ Northern Norway            | 28.6            | 32.5             | 34.4            | 34.9             | 34.5            | 34.3             | 34.8            | 38.2             | 38.7            |
| Sweden                              | 9.9             | 9.0              | 9.5             | 9.7              | 4.3             | 5.1              | 6.4             | 6.7              | 5.2             |
| Baltics and Poland                  | 0.4             | 9.2              | 8.9             | 8.6              | 8.4             | 8.4              | 8.9             | 9.3              | 8.7             |
| Other Europe                        | 6.4             | 2.7              | 2.7             | 2.9              | 2.9             | 3.2              | 3.4             | 3.7              | 3.7             |
| <b>Total <sup>1)</sup></b>          | <b>183.4</b>    | <b>187.4</b>     | <b>196.8</b>    | <b>205.0</b>     | <b>202.3</b>    | <b>208.9</b>     | <b>212.7</b>    | <b>209.8</b>     | <b>214.7</b>    |

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

#### Exposure at default by geographic distribution



## 1.8.4 Breakdown of shipping

### Exposure at default by segment

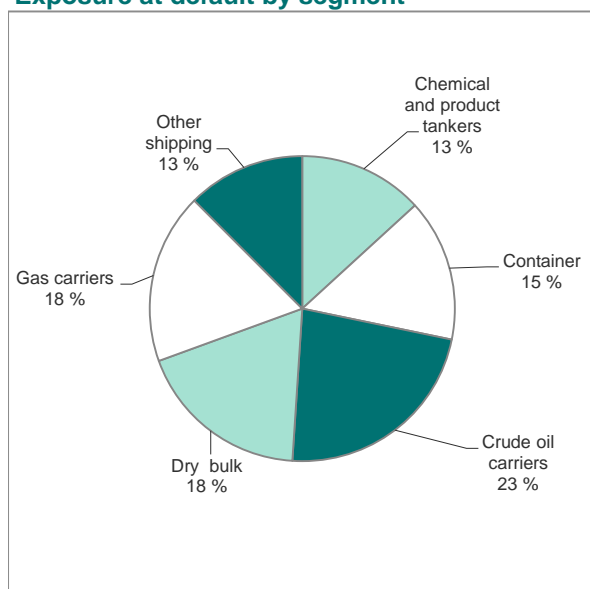
| Amounts in NOK billion       | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|------------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Chemical and product tankers | 11.6            | 11.9             | 13.3            | 13.6             | 14.7            | 13.7             | 16.1            | 17.5             | 19.9            |
| Container                    | 13.2            | 14.1             | 16.7            | 18.7             | 16.9            | 17.9             | 20.3            | 21.0             | 22.8            |
| Crude oil carriers           | 20.0            | 20.0             | 23.1            | 23.3             | 23.9            | 23.9             | 22.7            | 21.1             | 20.5            |
| Dry bulk                     | 16.2            | 16.6             | 18.4            | 20.3             | 21.6            | 20.4             | 21.6            | 21.7             | 24.7            |
| Gas carriers                 | 15.9            | 15.7             | 16.4            | 18.4             | 19.9            | 20.6             | 23.4            | 22.8             | 24.1            |
| Other shipping               | 11.0            | 12.4             | 13.1            | 12.4             | 11.6            | 13.0             | 14.2            | 17.0             | 21.5            |
| <b>Total</b>                 | <b>87.9</b>     | <b>90.8</b>      | <b>101.0</b>    | <b>106.8</b>     | <b>108.7</b>    | <b>109.5</b>     | <b>118.3</b>    | <b>121.1</b>     | <b>133.5</b>    |

### Risk classification of portfolio

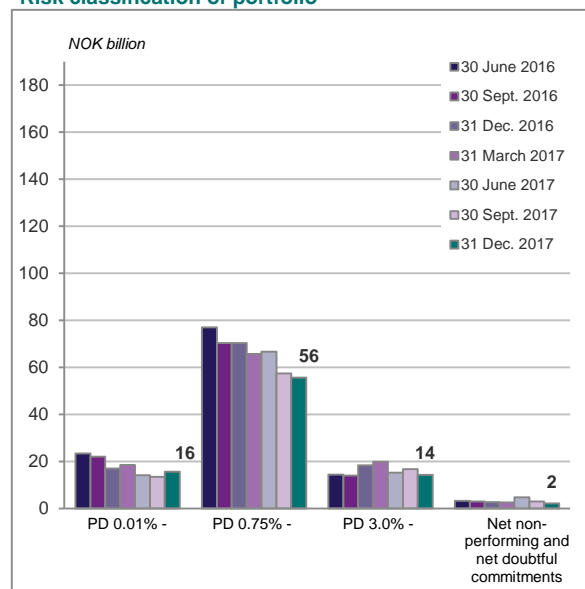
| Amounts in NOK billion                          | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| PD 0.01% -                                      | 15.7            | 13.6             | 14.1            | 18.5             | 17.1            | 22.1             | 23.4            | 25.4             | 27.6            |
| PD 0.75% -                                      | 55.7            | 57.5             | 66.8            | 65.8             | 70.4            | 70.3             | 77.1            | 82.3             | 92.0            |
| PD 3.00% -                                      | 14.4            | 16.7             | 15.3            | 19.9             | 18.5            | 14.0             | 14.5            | 10.5             | 11.2            |
| Net non-performing and net doubtful commitments | 2.2             | 3.1              | 4.8             | 2.6              | 2.8             | 3.0              | 3.3             | 2.9              | 2.7             |
| <b>Total <sup>1)</sup></b>                      | <b>87.9</b>     | <b>90.8</b>      | <b>101.0</b>    | <b>106.8</b>     | <b>108.7</b>    | <b>109.5</b>     | <b>118.3</b>    | <b>121.1</b>     | <b>133.5</b>    |

1) For a breakdown into sub-segments, see next page.

### Exposure at default by segment



### 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.

## 1.8.4 Breakdown of shipping (continued)

### Breakdown into sub-segments

|  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK billion</i>                          |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| <i>PD 0.01% -</i>                                      |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Crude oil sector                                       | 0.4             | 0.4              | 0.4             | 1.5              | 1.6             | 5.4              | 4.9             | 2.8              | 4.1             |
| Dry bulk sector  | 0.2             | 0.1              | 0.1             | 0.6              | 0.5             | 0.6              | 1.1             | 0.7              | 0.7             |
| Container sector                                       | 4.1             | 3.5              | 4.1             | 5.5              | 2.7             | 2.7              | 2.5             | 7.0              | 7.9             |
| Other  | 11.0            | 9.6              | 9.5             | 10.9             | 12.3            | 13.4             | 14.9            | 15.0             | 14.9            |
| <b>Total</b>   | <b>15.7</b>     | <b>13.6</b>      | <b>14.1</b>     | <b>18.5</b>      | <b>17.1</b>     | <b>22.1</b>      | <b>23.4</b>     | <b>25.4</b>      | <b>27.6</b>     |
| <i>PD 0.75% -</i>                                      |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Crude oil sector                                       | 14.0            | 13.9             | 17.1            | 17.7             | 18.9            | 15.0             | 14.7            | 18.1             | 15.7            |
| Dry bulk sector  | 10.4            | 9.7              | 11.1            | 11.7             | 13.1            | 13.4             | 15.3            | 16.4             | 19.1            |
| Container sector                                       | 8.1             | 9.1              | 10.8            | 9.4              | 10.2            | 11.0             | 12.7            | 10.1             | 11.5            |
| Other  | 23.2            | 24.8             | 27.8            | 27.0             | 28.1            | 30.9             | 34.4            | 37.7             | 45.7            |
| <b>Total</b>   | <b>55.7</b>     | <b>57.5</b>      | <b>66.8</b>     | <b>65.8</b>      | <b>70.4</b>     | <b>70.3</b>      | <b>77.1</b>     | <b>82.3</b>      | <b>92.0</b>     |
| <i>PD 3.00% -</i>                                      |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Crude oil sector                                       | 5.7             | 5.7              | 5.6             | 4.1              | 3.4             | 3.5              | 3.1             | 0.2              | 0.8             |
| Dry bulk sector  | 3.8             | 5.1              | 5.0             | 6.9              | 6.8             | 5.2              | 3.9             | 3.3              | 3.5             |
| Container sector                                       | 0.6             | 0.7              | 0.8             | 3.2              | 3.3             | 3.1              | 4.2             | 3.5              | 3.2             |
| Other  | 4.2             | 5.3              | 3.9             | 5.8              | 5.0             | 2.1              | 3.3             | 3.4              | 3.7             |
| <b>Total</b>   | <b>14.4</b>     | <b>16.7</b>      | <b>15.3</b>     | <b>19.9</b>      | <b>18.5</b>     | <b>14.0</b>      | <b>14.5</b>     | <b>10.5</b>      | <b>11.2</b>     |
| <i>Net non-performing and net doubtful commitments</i> |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Crude oil sector                                       | -               | -                | -               | -                | 0.0             | 0.0              | 0.0             | 0.0              | (0.0)           |
| Dry bulk sector  | 1.7             | 1.8              | 2.3             | 1.2              | 1.2             | 1.2              | 1.3             | 1.4              | 1.3             |
| Container sector                                       | 0.4             | 0.8              | 0.9             | 0.6              | 0.7             | 1.0              | 0.9             | 0.4              | 0.2             |
| Other  | 0.1             | 0.4              | 1.6             | 0.8              | 0.8             | 0.8              | 1.2             | 1.2              | 1.2             |
| <b>Total</b>   | <b>2.2</b>      | <b>3.1</b>       | <b>4.8</b>      | <b>2.6</b>       | <b>2.8</b>      | <b>3.0</b>       | <b>3.3</b>      | <b>2.9</b>       | <b>2.7</b>      |
| <b>Total shipping</b>                                  | <b>87.9</b>     | <b>90.8</b>      | <b>101.0</b>    | <b>106.8</b>     | <b>108.7</b>    | <b>109.5</b>     | <b>118.3</b>    | <b>121.1</b>     | <b>133.5</b>    |

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



## 1.8.5 Breakdown of oil, gas and offshore

### Exposure at default by segment

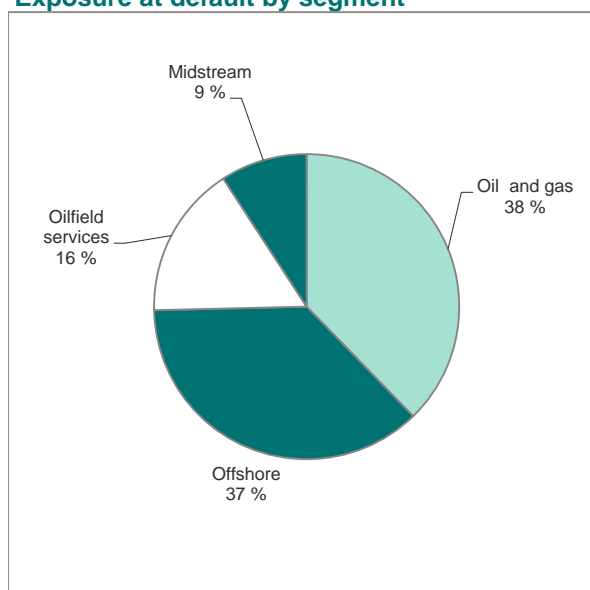
| Amounts in NOK billion | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Oil and gas            | 41.1            | 39.2             | 41.4            | 43.2             | 44.4            | 45.5             | 48.5            | 49.3             | 60.0            |
| Offshore               | 40.2            | 41.8             | 42.6            | 45.6             | 49.2            | 49.7             | 52.7            | 41.2             | 59.5            |
| Oilfield services      | 17.6            | 19.5             | 23.5            | 25.8             | 25.8            | 25.8             | 29.2            | 42.7             | 22.9            |
| Midstream              | 10.0            | 13.9             | 15.5            | 16.6             | 18.7            | 19.4             | 20.1            | 22.0             | 23.5            |
| <b>Total</b>           | <b>108.9</b>    | <b>114.5</b>     | <b>122.9</b>    | <b>131.1</b>     | <b>138.1</b>    | <b>140.5</b>     | <b>150.5</b>    | <b>155.2</b>     | <b>165.8</b>    |

### Risk classification of portfolio

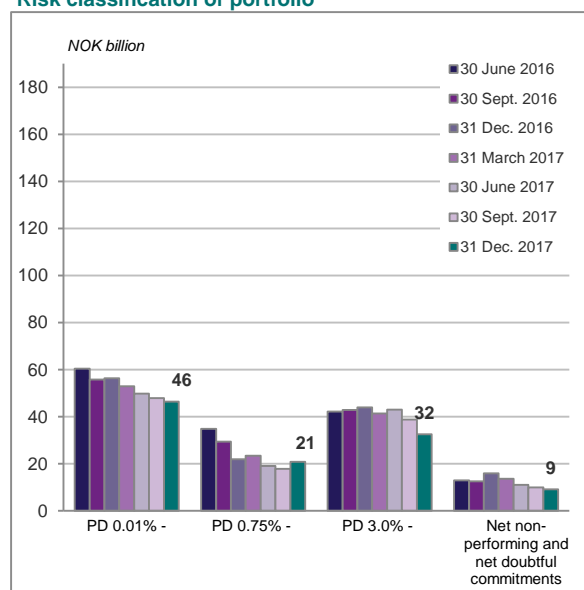
| Amounts in NOK billion                          | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| PD 0.01% -                                      | 46.4            | 47.9             | 49.8            | 52.9             | 56.3            | 55.7             | 60.4            | 68.5             | 84.3            |
| PD 0.75% -                                      | 20.9            | 17.9             | 19.1            | 23.4             | 21.9            | 29.4             | 34.9            | 39.6             | 63.6            |
| PD 3.00% -                                      | 32.5            | 38.7             | 43.0            | 41.3             | 44.0            | 42.8             | 42.2            | 42.1             | 14.6            |
| Net non-performing and net doubtful commitments | 9.2             | 10.0             | 11.0            | 13.5             | 15.9            | 12.5             | 12.9            | 5.0              | 3.3             |
| <b>Total <sup>1)</sup></b>                      | <b>108.9</b>    | <b>114.5</b>     | <b>122.9</b>    | <b>131.1</b>     | <b>138.1</b>    | <b>140.5</b>     | <b>150.5</b>    | <b>155.2</b>     | <b>165.8</b>    |

1) For a breakdown into sub-segments, see next page.

### Exposure at default by segment



### 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.

## 1.8.5 Breakdown of oil, gas and offshore (continued)

### Breakdown into sub-segments

|  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK billion</i>                          |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| <i>PD 0.01% -</i>                                      |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Oil and gas sector                                     | 36.3            | 36.5             | 37.9            | 40.0             | 40.8            | 40.9             | 43.8            | 47.1             | 60.2            |
| Offshore sector  | 2.6             | 1.7              | 1.8             | 1.9              | 2.6             | 1.9              | 1.7             | 4.2              | 10.1            |
| Oilfield services sector                               | 7.5             | 9.6              | 10.1            | 11.0             | 12.8            | 13.0             | 15.0            | 17.3             | 13.9            |
| <b>Total</b>   | <b>46.4</b>     | <b>47.9</b>      | <b>49.8</b>     | <b>52.9</b>      | <b>56.3</b>     | <b>55.7</b>      | <b>60.4</b>     | <b>68.5</b>      | <b>84.3</b>     |
| <i>PD 0.75% -</i>                                      |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Oil and gas sector                                     | 6.5             | 9.0              | 9.8             | 10.5             | 11.1            | 14.2             | 14.7            | 16.0             | 20.9            |
| Offshore sector  | 7.9             | 3.3              | 3.9             | 6.2              | 5.8             | 9.6              | 13.9            | 12.8             | 36.3            |
| Oilfield services sector                               | 6.5             | 5.5              | 5.3             | 6.6              | 4.9             | 5.6              | 6.3             | 10.9             | 6.4             |
| <b>Total</b>   | <b>20.9</b>     | <b>17.9</b>      | <b>19.1</b>     | <b>23.4</b>      | <b>21.9</b>     | <b>29.4</b>      | <b>34.9</b>     | <b>39.6</b>      | <b>63.6</b>     |
| <i>PD 3.00% -</i>                                      |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Oil and gas sector                                     | 7.4             | 6.9              | 7.3             | 7.8              | 9.0             | 7.9              | 7.8             | 7.5              | 1.5             |
| Offshore sector  | 22.0            | 28.2             | 28.4            | 26.2             | 29.1            | 29.9             | 28.7            | 22.3             | 11.9            |
| Oilfield services sector                               | 3.0             | 3.6              | 7.3             | 7.3              | 5.9             | 5.1              | 5.7             | 12.3             | 1.2             |
| <b>Total</b>   | <b>32.5</b>     | <b>38.7</b>      | <b>43.0</b>     | <b>41.3</b>      | <b>44.0</b>     | <b>42.8</b>      | <b>42.2</b>     | <b>42.1</b>      | <b>14.6</b>     |
| <i>Net non-performing and net doubtful commitments</i> |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Oil and gas sector                                     | 0.9             | 0.7              | 1.8             | 1.4              | 2.1             | 2.0              | 2.3             | 0.8              | 0.8             |
| Offshore sector  | 7.7             | 8.6              | 8.4             | 11.3             | 11.6            | 8.3              | 8.4             | 1.9              | 1.2             |
| Oilfield services sector                               | 0.7             | 0.7              | 0.8             | 0.9              | 2.2             | 2.2              | 2.3             | 2.3              | 1.3             |
| <b>Total</b>   | <b>9.2</b>      | <b>10.0</b>      | <b>11.0</b>     | <b>13.5</b>      | <b>15.9</b>     | <b>12.5</b>      | <b>12.9</b>     | <b>5.0</b>       | <b>3.3</b>      |
| <b>Total oil, gas and offshore</b>                     | <b>108.9</b>    | <b>114.5</b>     | <b>122.9</b>    | <b>131.1</b>     | <b>138.1</b>    | <b>140.5</b>     | <b>150.5</b>    | <b>155.2</b>     | <b>165.8</b>    |

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

### 1.8.6 DNB's risk classification

| Risk class | Probability of default<br>(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

|   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK billion</i>   |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Deposits at end of period   | 971             | 1 048            | 1 047           | 1 054            | 971             | 953              | 961             | 928              | 944             |
| Deposits adjusted for exchange rate movements   | 987             | 1 072            | 1 058           | 1 073            | 987             | 981              | 976             | 940              | 944             |
| Deposits adjusted for short-term money market investments                             | 935             | 987              | 1 002           | 1 006            | 962             | 938              | 959             | 926              | 934             |
| Deposits adjusted for short-term money market investments and exchange rate movements | 951             | 1 011            | 1 012           | 1 025            | 977             | 966              | 974             | 938              | 934             |

Includes volumes in the Baltics up to and including September 2017, reclassified as assets held for sale in August 2016. Please refer to page 2 for further information on the deconsolidation of the Baltics portfolio.

### 1.9.2 Deposits per customer group

|                                      | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 |
|--------------------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| <i>Amounts in NOK billion</i>        |                 |                  |                 |                  |                 |                  |                 |                  |
| Households                           | 374             | 374              | 379             | 361              | 361             | 359              | 382             | 365              |
| Non-financial corporates             | 458             | 470              | 468             | 488              | 449             | 420              | 417             | 435              |
| Other financial corporates           | 94              | 124              | 111             | 110              | 79              | 81               | 94              | 78               |
| Other                                | 55              | 60               | 67              | 77               | 58              | 71               | 73              | 59               |
| Credit institutions                  | 222             | 240              | 212             | 264              | 212             | 192              | 200             | 160              |
| <b>Total deposits</b>                | <b>1 204</b>    | <b>1 267</b>     | <b>1 237</b>    | <b>1 300</b>     | <b>1 158</b>    | <b>1 123</b>     | <b>1 166</b>    | <b>1 097</b>     |
| <i>Of which repo trading volumes</i> | 32.5            | 13.8             | 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.

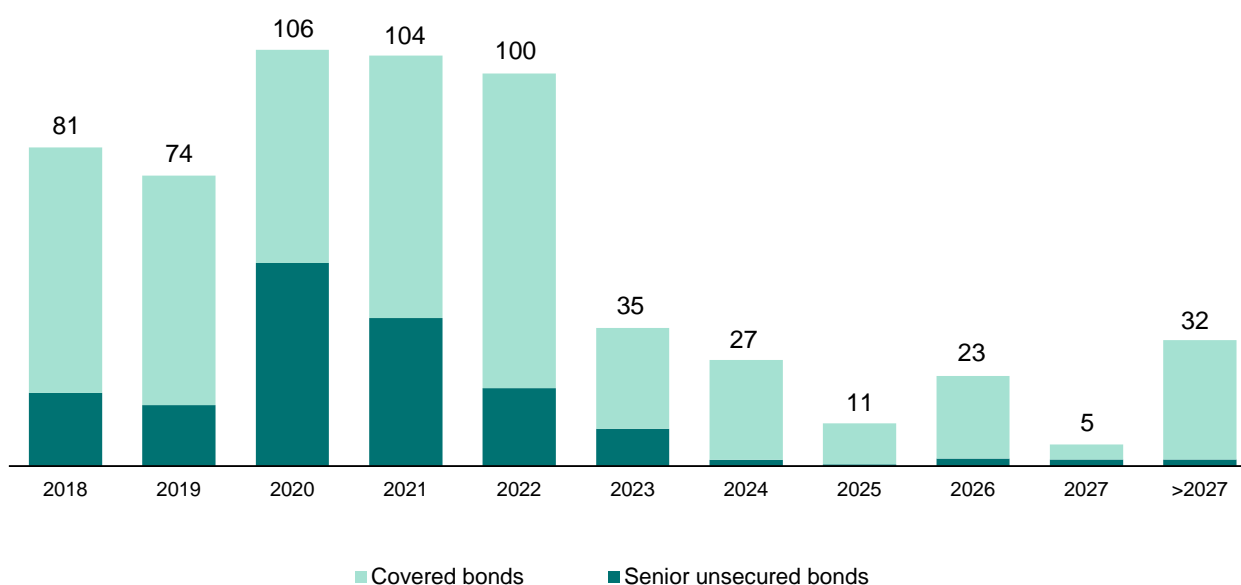
### 1.9.3 Funding

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 | Covered bonds                                   | 73.4        | 7.9              |
|      | Senior bonds                                    | 16.0        | 3.0              |
|      | <b>Total</b>                                    | <b>89.4</b> | <b>7.0</b>       |
|      | Additional Tier 1 capital and Tier 2 loans      | 10.6        | 5.0              |
|      | Total including Tier 1 capital and Tier 2 loans | 99.9        | 6.8              |
| 2016 | Covered bonds                                   | 63.5        | 7.7              |
|      | Senior bonds                                    | 25.2        | 5.7              |
|      | <b>Total</b>                                    | <b>88.7</b> | <b>7.1</b>       |
|      | 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              |
|      | <b>Total</b>                                    | <b>66.6</b> | <b>5.7</b>       |
|      | 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              |

### 1.9.4 Redemption profile as at 31 December 2017

| NOK billion            | 2018        | 2019        | 2020         | 2021         | 2022        | 2023        | 2024        | 2025        | 2026        | 2027       | >2027       |
|------------------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|
| Senior unsecured bonds | 18.6        | 15.4        | 51.6         | 37.7         | 19.8        | 9.4         | 1.6         | 0.4         | 1.9         | 1.6        | 1.7         |
| Covered bonds          | 62.5        | 58.4        | 54.2         | 66.7         | 80.0        | 25.7        | 25.4        | 10.4        | 21.0        | 3.8        | 30.3        |
| <b>Total</b>           | <b>81.0</b> | <b>73.8</b> | <b>105.8</b> | <b>104.4</b> | <b>99.8</b> | <b>35.1</b> | <b>26.9</b> | <b>10.9</b> | <b>22.9</b> | <b>5.5</b> | <b>32.0</b> |



A total overview of subordinated loans as at 31 December 2017 can be found in the appendix on page 94-98

## 1.9.5 Asset encumbrance as at 31 December 2017

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

| Market value in NOK million | Government/<br>guaranteed<br>debt<br>instru-<br>ments | Supra-<br>national<br>debt<br>instru-<br>ments | Covered<br>bonds | Debt<br>issued<br>by credit<br>instru-<br>tions | Debt<br>issued by<br>corporate<br>and other<br>issuers | Home<br>mortgages | Commercial<br>real estate<br>loans | Asset-<br>backed<br>securities<br>(ABS) | Total <sup>1)</sup> |
|-----------------------------|---|--|------------------|---|--|-------------------|------------------------------------|---|---------------------|
| Due to central banks        |   |  |                  |   |  |                   |                                    |   |                     |
| Repurchase agreements       | 16 708  | 55   |                  |   |  |                   |                                    |   | 16 763              |
| Derivatives                 |   | 11 745   | 6 324            |   |  |                   |                                    |   | 18 070              |
| Covered bonds issued        |   |  |                  |   |  | 461 584           | 292                                |   | 461 876             |
| <b>Total</b>                | <b>16 708</b>   | <b>11 800</b>                                  | <b>6 324</b>     |   |  | <b>461 584</b>    | <b>292</b>                         |   | <b>496 708</b>      |

### <sup>\*)</sup> Total figures per quarter

| Market value in NOK million | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 | 30 Sept.<br>2015 |
|-----------------------------|-----------------|------------------|-----------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| Due to central banks        |                 | 3 976            | 3 807           | 3 837           | 3 624            | 5 390           | 4 394            | 3 560           | 3 531            |
| Repurchase agreements       | 16 763          | 5 448            | 13 233          | 14 067          | 3 368            | 19 189          | 19 809           | 25 822          | 18 325           |
| Derivatives                 | 18 070          | 2 856            | 7 773           |                 | 2 735            | 31 289          | 38 476           | 55 368          | 59 176           |
| Covered bonds issued        | 461 876         | 430 743          | 455 131         | 437 326         | 455 062          | 461 417         | 448 813          | 467 644         | 394 269          |
| <b>Total</b>                | <b>496 708</b>  | <b>443 023</b>   | <b>479 944</b>  | <b>455 230</b>  | <b>464 788</b>   | <b>517 284</b>  | <b>511 493</b>   | <b>552 394</b>  | <b>475 302</b>   |

## 1.9.6 Additional assets available for secured funding as at 31 December 2017

| Market value in NOK million                    | Government/<br>guaranteed<br>debt<br>instru-<br>ments | Supra-<br>national<br>debt<br>instru-<br>ments | Covered<br>bonds | Debt<br>issued<br>by credit<br>instru-<br>tions | Debt<br>issued by<br>corporate<br>and other<br>issuers | Home<br>mortgages | Commercial<br>real estate<br>loans | Asset-<br>backed<br>securities<br>(ABS) | Total <sup>1)</sup> |
|--|---|--|------------------|---|--|-------------------|------------------------------------|---|---------------------|
| Securities <sup>1)</sup>                       | 323 018   | 11 530   | 94 101           |   | 6 417  |                   |                                    | 4 618                                   | 439 684             |
| Retained covered bonds                         |   |  |                  |   |  | 11 942            |                                    |   | 11 942              |
| Cover pool overcollateralisation <sup>2)</sup> |   |  |                  |   |  | 194 321           | 22 621                             |   | 216 942             |
| Cover pool eligible assets <sup>3)</sup>       |   |  |                  |   |  |                   | 15 000                             |   | 15 000              |
| <b>Total</b>                                   | <b>323 018</b>  | <b>11 530</b>                                  | <b>94 101</b>    |   | <b>6 417</b>   | <b>206 263</b>    | <b>37 621</b>                      | <b>4 618</b>                            | <b>683 568</b>      |

### <sup>\*)</sup> Total figures per quarter

| Market value in NOK million                    | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Securities                                     | 439 684         | 320 731          | 343 149         | 406 517          | 224 790         | 219 408          | 227 479         | 292 932          | 404 064         |
| Retained covered bonds                         | 11 942          | 11 012           | 7 259           | 9 008            | 8 755           | 3 856            | 3 991           | 5 611            | 8 462           |
| Cover pool overcollateralisation <sup>2)</sup> | 216 942         | 226 706          | 215 217         | 165 122          | 190 687         | 190 415          | 193 083         | 193 775          | 193 329         |
| Cover pool eligible assets <sup>3)</sup>       | 15 000          | 15 000           | 15 000          | 15 000           | 15 000          | 15 000           | 15 000          | 15 000           | 15 000          |
| <b>Total</b>                                   | <b>683 568</b>  | <b>573 449</b>   | <b>580 625</b>  | <b>595 648</b>   | <b>439 232</b>  | <b>428 679</b>   | <b>439 553</b>  | <b>507 318</b>   | <b>620 855</b>  |

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 31 December 2017 <sup>1)</sup>

| Amounts in NOK million   | NOK            | EUR            | USD            | Other         | Total <sup>*)</sup> |
|--|----------------|----------------|----------------|---------------|---------------------|
| Cash and deposits with central banks   | 3 251          | 139 632        | 193            | 3 237         | 146 312             |
| Deposits with other banks <sup>2)</sup>  | 41 875         | 18 446         | 144 177        | 7 397         | 211 896             |
| Securities issued or guaranteed by sovereigns, central banks or multilateral development banks <sup>3)</sup> | 49 769         | 6 050          | 35 964         | 62 836        | 154 619             |
| Securities issued or guaranteed by municipalities or public sector entities                                  | 1 540          | 745            | 9 341          | 2 295         | 13 921              |
| Covered bonds  |                |                |                |               |                     |
| - issued by other institutions   | 44 059         | 6 228          | 10 784         | 5 585         | 66 656              |
| - own issued   | 11 942         |                |                |               | 11 942              |
| Securities issued by non-financial corporates  | 332            | 37             | 66             | 343           | 778                 |
| Securities issued by financial corporates and ABS <sup>3)</sup>  | 5 270          | 7 499          | 1 385          | 1 186         | 15 341              |
| <b>Total</b>   | <b>158 038</b> | <b>178 637</b> | <b>201 910</b> | <b>82 879</b> | <b>621 465</b>      |

### \*) Total figures per quarter

| Amounts in NOK million   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Cash and deposits with central banks   | 146 312         | 315 004          | 261 020         | 365 700          | 201 176         | 171 376          | 145 905         | 163 494          | 19 317          |
| Deposits with other banks <sup>2)</sup>  | 211 896         | 157 176          | 157 018         | 198 747          | 191 145         | 187 796          | 191 782         | 173 531          | 212 763         |
| Securities issued or guaranteed by sovereigns, central banks or multilateral development banks | 154 619         | 95 933           | 99 029          | 119 016          | 115 165         | 108 499          | 110 796         | 100 455          | 90 074          |
| Securities issued or guaranteed by municipalities or public sector entities                    | 13 921          | 13 412           | 13 778          | 12 068           | 11 425          | 10 829           | 10 804          | 12 168           | 10 779          |
| Covered bonds  |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| - issued by other institutions   | 66 656          | 63 865           | 67 834          | 72 938           | 78 626          | 80 981           | 83 381          | 83 196           | 86 022          |
| - own issued   | 11 942          | 11 012           | 7 259           | 9 008            | 8 755           | 3 856            | 3 991           | 12 650           | 8 462           |
| Securities issued by non-financial corporates  | 778             | 1 240            | 615             | 616              | 858             | 899              | 1 327           | 1 295            | 1 637           |
| Securities issued by financial corporates and ABS <sup>3)</sup>                                | 15 341          | 15 183           | 14 045          | 19 007           | 18 717          | 18 200           | 21 422          | 28 044           | 27 147          |
| <b>Total</b>   | <b>621 465</b>  | <b>672 826</b>   | <b>620 598</b>  | <b>797 100</b>   | <b>625 867</b>  | <b>582 437</b>   | <b>569 408</b>  | <b>574 832</b>   | <b>456 202</b>  |

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 |
|-------------------|-----|-----|-----|-------|
| 31 December 2017  | 191 | 137 | 93  | 117   |
| 30 September 2017 | 247 | 112 | 87  | 118   |

### 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.

|  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK million</i>                                      |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Total equity excluding interim profits                             | 216 897         | 195 945          | 197 765         | 206 403          | 206 423         | 180 422          | 181 718         | 188 809          | 190 078         |
| 50 per cent of interim profits for the year to date                |                 | 7 164            | 4 425           | 1 959            |                 | 6 744            | 4 593           | 2 447            |                 |
| Effect from regulatory consolidation                               | (6 328)         | (4 705)          | (4 705)         | (5 795)          | (5 795)         | (4 915)          | (5 038)         | (6 083)          | (541)           |
| Non-eligible capital, insurance                                    |                 |                  |                 |                  |                 |                  |                 |                  | (403)           |
| Net additional Tier 1 capital instruments included in total equity | (16 013)        | (15 863)         | (15 734)        | (15 589)         | (15 858)        | (9 594)          | (9 532)         | (8 064)          | (8 272)         |
| Total equity for capital adequacy purpose                          | 194 557         | 182 541          | 181 752         | 186 978          | 184 770         | 172 657          | 171 741         | 177 109          | 180 863         |
| Deductions   | (23 218)        | (11 247)         | (9 720)         | (16 802)         | (16 555)        | (8 901)          | (9 759)         | (17 138)         | (17 957)        |
| <b>Common equity Tier 1 capital</b>                                | <b>171 339</b>  | <b>171 295</b>   | <b>172 031</b>  | <b>170 176</b>   | <b>168 214</b>  | <b>163 756</b>   | <b>161 982</b>  | <b>159 972</b>   | <b>162 906</b>  |
| Additional Tier 1 capital instruments                              | 15 517          | 15 019           | 15 504          | 15 556           | 17 295          | 11 351           | 11 351          | 9 951            | 10 267          |
| Tier 1 capital   | 186 856         | 186 314          | 187 536         | 185 732          | 185 509         | 175 107          | 173 333         | 169 922          | 173 173         |
| Tier 2 capital, net  | 21 696          | 20 217           | 21 608          | 21 218           | 19 661          | 19 671           | 21 196          | 21 633           | 27 887          |
| <b>Total eligible capital</b>                                      | <b>208 552</b>  | <b>206 531</b>   | <b>209 144</b>  | <b>206 950</b>   | <b>205 170</b>  | <b>194 778</b>   | <b>194 529</b>  | <b>191 555</b>   | <b>201 060</b>  |
| Risk-weighted volume, basis for transitional rule, Basel I         | 1 303 251       | 1 317 091        | 1 358 902       | 1 347 240        | 1 314 372       | 1 306 590        | 1 335 732       | 1 311 709        | 1 310 727       |
| 80 per cent of RWA, transitional rule                              | 1 042 601       | 1 053 673        | 1 087 122       | 1 077 792        | 1 051 498       | 1 045 272        | 1 068 585       | 1 049 367        | 1 048 582       |
| Net risk-weighted volume, insurance                                |                 |                  |                 |                  |                 |                  |                 |                  | 80 791          |
| Risk-weighted volume, transitional rules                           | 1 042 601       | 1 053 673        | 1 087 122       | 1 077 792        | 1 051 498       | 1 045 272        | 1 068 585       | 1 049 367        | 1 129 373       |
| Minimum capital requirement, transitional rules                    | 83 408          | 84 294           | 86 970          | 86 223           | 84 120          | 83 622           | 85 487          | 83 949           | 90 350          |
| <b>Common equity Tier 1 capital ratio, transitional rules (%)</b>  | <b>16.4</b>     | <b>16.3</b>      | <b>15.8</b>     | <b>15.8</b>      | <b>16.0</b>     | <b>15.7</b>      | <b>15.2</b>     | <b>15.2</b>      | <b>14.4</b>     |
| Tier 1 capital ratio, transitional rules (%)                       | 17.9            | 17.7             | 17.3            | 17.2             | 17.6            | 16.8             | 16.2            | 16.2             | 15.3            |
| Capital ratio, transitional rules (%)                              | 20.0            | 19.6             | 19.2            | 19.2             | 19.5            | 18.6             | 18.2            | 18.3             | 17.8            |

#### Basel III

|   |           |           |           |         |         |         |         |         |           |
|---|-----------|-----------|-----------|---------|---------|---------|---------|---------|-----------|
| Risk-weighted volume, Basel III                   | 1 027 585 | 1 027 137 | 1 072 158 | 977 995 | 957 726 | 950 425 | 984 220 | 941 883 | 1 016 454 |
| Minimum capital requirement, Basel III            | 82 207    | 82 171    | 85 773    | 78 240  | 76 618  | 76 034  | 78 738  | 75 351  | 81 316    |
| Common equity Tier 1 capital ratio, Basel III (%) | 16.7      | 16.7      | 16.0      | 17.4    | 17.6    | 17.2    | 16.5    | 17.0    | 16.0      |
| Tier 1 capital ratio, Basel III (%)               | 18.2      | 18.1      | 17.5      | 19.0    | 19.4    | 18.4    | 17.6    | 18.0    | 17.0      |
| Capital ratio, Basel III (%)                      | 20.3      | 20.1      | 19.5      | 21.2    | 21.4    | 20.5    | 19.8    | 20.3    | 19.8      |
| Leverage ratio, Basel III (%)                     | 7.2       | 7.1       | 7.2       | 6.7     | 7.3     | 6.9     | 6.8     | 6.7     | 6.7       |

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

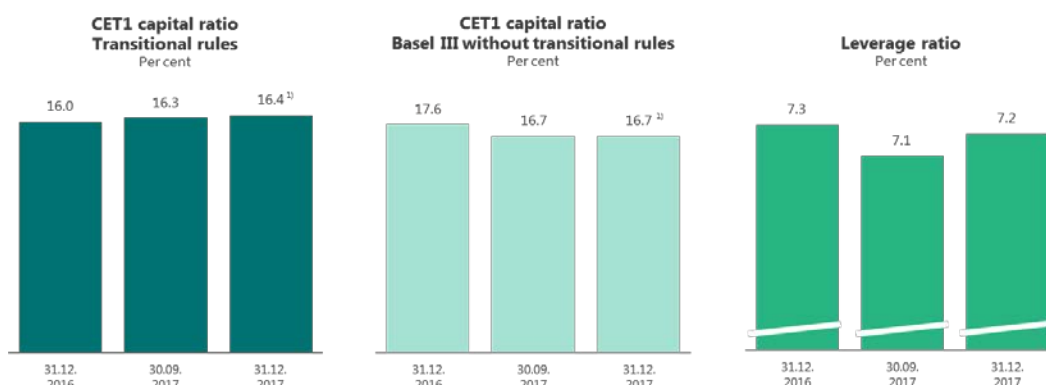
|  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK million</i>            |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Tier 1 capital                           | 186 863         | 186 314          | 187 536         | 185 732          | 185 509         | 175 107          | 173 333         | 169 922          | 173 173         |
| Leverage exposure                        |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Securities financing transactions (SFTs) | 251 939         | 183 235          | 184 491         | 229 475          | 196 891         | 208 682          | 210 408         | 198 756          | 318 513         |
| Derivatives market value                 | 47 840          | 40 949           | 59 352          | 55 576           | 54 155          | 62 028           | 76 297          | 75 909           | 79 626          |
| Potential future exposure on derivatives | 37 363          | 29 653           | 23 891          | 34 063           | 32 079          | 31 812           | 26 246          | 32 936           | 35 774          |
| Eligible cash variation margin           | (28 744)        | (17 526)         | (18 697)        | (15 486)         | (15 383)        | (17 305)         | (18 783)        | (17 716)         | (17 432)        |
| Off balance sheet commitments            | 235 576         | 235 491          | 246 002         | 248 029          | 242 183         | 238 979          | 240 239         | 236 212          | 250 749         |
| Loans and advances and other assets      | 2 071 592       | 2 179 955        | 2 129 861       | 2 230 569        | 2 043 384       | 2 014 744        | 2 028 211       | 2 007 429        | 1 867 764       |
| Deductions                               | (9 699)         | (9 405)          | (8 347)         | (6 366)          | (6 644)         | (8 034)          | (8 774)         | (9 808)          | (10 382)        |
| Total exposure                           | 2 605 867       | 2 642 352        | 2 616 552       | 2 775 860        | 2 546 664       | 2 530 905        | 2 553 843       | 2 523 718        | 2 524 612       |
| Leverage ratio, Basel III (%)            | 7.2             | 7.1              | 7.2             | 6.7              | 7.3             | 6.9              | 6.8             | 6.7              | 6.7             |

## 1.10.3 Specification of capital requirements

|   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK million</i>                                   |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| IRB approach  |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Corporate   | 35 197          | 36 439           | 39 659          | 33 291           | 32 619          | 32 551           | 34 162          | 31 716           | 33 421          |
| Specialised lending (SL)  | 454             | 461              | 497             | 384              | 356             | 354              | 355             | 505              | 468             |
| Retail - mortgages  | 13 220          | 12 975           | 12 630          | 12 590           | 12 465          | 12 358           | 12 507          | 12 403           | 12 241          |
| Retail - other exposures  | 1 745           | 1 730            | 1 866           | 1 867            | 1 901           | 1 908            | 1 953           | 1 966            | 1 965           |
| Securitisation  | 626             | 671              | 818             | 838              | 937             | 952              | 1 045           | 1 117            | 1 201           |
| Total credit risk, IRB approach                                 | 51 241          | 52 276           | 55 470          | 48 970           | 48 279          | 48 123           | 50 023          | 47 707           | 49 295          |
| Standardised approach   |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Central government  | 6               | 5                | 5               | 6                | 7               | 5                | 12              | 25               | 33              |
| Institutions  | 2 989           | 2 729            | 2 419           | 2 182            | 1 989           | 2 126            | 2 317           | 2 225            | 2 230           |
| Corporate   | 9 796           | 9 588            | 9 770           | 9 445            | 8 767           | 8 668            | 8 883           | 8 430            | 9 657           |
| Retail - mortgages  | 2 207           | 1 939            | 1 863           | 1 839            | 1 805           | 1 756            | 1 730           | 1 774            | 1 764           |
| Retail - other exposures  | 2 941           | 3 060            | 3 664           | 3 116            | 2 939           | 3 009            | 3 348           | 2 757            | 2 642           |
| Equity positions  | 3 742           | 3 727            | 3 685           | 3 607            | 3 584           | 3 450            | 3 464           | 3 453            | 276             |
| Securitisation  |                 | 22               | 24              | 40               | 41              | 52               | 65              | 67               | 60              |
| Other assets  | 568             | 742              | 803             | 725              | 848             | 599              | 718             | 689              | 535             |
| Total credit risk, standardised approach                        | 22 249          | 21 812           | 22 232          | 20 960           | 19 979          | 19 664           | 20 536          | 19 421           | 17 195          |
| Total credit risk <sup>1)</sup>                                 | 73 490          | 74 088           | 77 702          | 69 930           | 68 258          | 67 787           | 70 558          | 67 128           | 66 490          |
| Market risk   |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Position risk, debt instruments                                 | 1 120           | 957              | 899             | 1 043            | 1 169           | 1 097            | 1 141           | 1 080            | 1 141           |
| Position risk, equity instruments                               | 21              | 24               | 19              | 17               | 25              | 18               | 23              | 19               | 36              |
| Currency risk   |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Commodity risk  | 2               | 2                | 2               | 2                | 6               | 1                | 0               | 1                | 3               |
| Credit value adjustment risk (CVA)                              | 468             | 430              | 481             | 505              | 490             | 460              | 344             | 452              | 513             |
| Total market risk   | 1 611           | 1 413            | 1 401           | 1 566            | 1 690           | 1 576            | 1 509           | 1 552            | 1 693           |
| Operational risk  | 7 106           | 6 670            | 6 670           | 6 744            | 6 670           | 6 670            | 6 670           | 6 670            | 6 670           |
| Net insurance, after eliminations                               |                 |                  |                 |                  |                 |                  |                 |                  | 6 463           |
| Total capital requirements according to Basel III               | 82 207          | 82 171           | 85 773          | 78 240           | 76 618          | 76 034           | 78 738          | 75 351           | 81 317          |
| Additional capital requirements according to transitional rules | 1 201           | 2 123            | 1 197           | 7 984            | 7 502           | 7 588            | 6 749           | 8 599            | 9 033           |
| Total capital requirements according to transitional rules      | 83 408          | 84 294           | 86 970          | 86 223           | 84 120          | 83 622           | 85 487          | 83 949           | 90 350          |

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) Includes 1.5 per cent in share buy-back programmes.

### 1.10.5 Specification of capital requirements for credit risk

#### As at 31 December 2017

| Amounts in NOK million                          | Nominal exposure | EAD, exposure at default | Average risk weights (per cent) | Risk-weighted volume | Capital requirements |
|---|------------------|--------------------------|---------------------------------|----------------------|----------------------|
| <b>IRB approach</b>                             |                  |                          |                                 |                      |                      |
| Corporate                                       | 964 724          | 790 118                  | 55.7                            | 439 960              | 35 197               |
| Specialised Lending (SL)                        | 11 582           | 10 645                   | 53.3                            | 5 676                | 454                  |
| Retail - mortgages                              | 748 668          | 748 668                  | 22.1                            | 165 245              | 13 220               |
| Retail - other exposures                        | 99 660           | 85 663                   | 25.5                            | 21 812               | 1 745                |
| Securitisation                                  | 9 613            | 9 613                    | 81.4                            | 7 827                | 626                  |
| <b>Total credit risk, IRB approach</b>          | <b>1 834 246</b> | <b>1 644 706</b>         | <b>38.9</b>                     | <b>640 519</b>       | <b>51 241</b>        |
| <b>Standardised approach</b>                    |                  |                          |                                 |                      |                      |
| Central government                              | 107 116          | 76 481                   | 0.1                             | 74                   | 6                    |
| Institutions                                    | 266 642          | 122 434                  | 30.5                            | 37 361               | 2 989                |
| Corporate                                       | 174 279          | 140 798                  | 87.0                            | 122 454              | 9 796                |
| Retail - mortgages                              | 58 925           | 56 340                   | 49.0                            | 27 588               | 2 207                |
| Retail - other exposures                        | 117 871          | 47 773                   | 77.0                            | 36 765               | 2 941                |
| Equity positions                                | 20 203           | 20 201                   | 231.5                           | 46 771               | 3 742                |
| Securitisation                                  | -                | -                        | -                               | -                    | -                    |
| Other assets                                    | 13 760           | 13 760                   | 51.6                            | 7 098                | 568                  |
| <b>Total credit risk, standardised approach</b> | <b>758 796</b>   | <b>477 787</b>           | <b>58.2</b>                     | <b>278 110</b>       | <b>22 249</b>        |
| <b>Total credit risk</b>                        | <b>2 593 042</b> | <b>2 122 493</b>         | <b>43.3</b>                     | <b>918 629</b>       | <b>73 490</b>        |

#### As at 30 September 2017

| Amounts in NOK million                          | Nominal exposure | EAD, exposure at default | Average risk weights (per cent) | Risk-weighted volume | Capital requirements |
|---|------------------|--------------------------|---------------------------------|----------------------|----------------------|
| <b>IRB approach</b>                             |                  |                          |                                 |                      |                      |
| Corporate                                       | 973 975          | 799 519                  | 57.0                            | 455 482              | 36 439               |
| Specialised Lending (SL)                        | 11 902           | 11 233                   | 51.3                            | 5 765                | 461                  |
| Retail - mortgages                              | 739 683          | 739 683                  | 21.9                            | 162 193              | 12 975               |
| Retail - other exposures                        | 97 733           | 83 653                   | 25.9                            | 21 626               | 1 730                |
| Securitisation                                  | 9 738            | 9 738                    | 86.1                            | 8 382                | 671                  |
| <b>Total credit risk, IRB approach</b>          | <b>1 833 031</b> | <b>1 643 827</b>         | <b>39.8</b>                     | <b>653 448</b>       | <b>52 276</b>        |
| <b>Standardised approach</b>                    |                  |                          |                                 |                      |                      |
| Central government                              | 74 719           | 78 694                   | 0.1                             | 61                   | 5                    |
| Institutions                                    | 248 986          | 108 840                  | 31.3                            | 34 116               | 2 729                |
| Corporate                                       | 176 497          | 138 552                  | 86.5                            | 119 846              | 9 588                |
| Retail - mortgages                              | 57 287           | 54 681                   | 44.3                            | 24 238               | 1 939                |
| Retail - other exposures                        | 129 798          | 50 881                   | 75.2                            | 38 250               | 3 060                |
| Equity positions                                | 20 435           | 20 434                   | 228.0                           | 46 588               | 3 727                |
| Securitisation                                  | 1 049            | 449                      | 61.7                            | 277                  | 22                   |
| Other assets                                    | 15 083           | 15 083                   | 61.5                            | 9 280                | 742                  |
| <b>Total credit risk, standardised approach</b> | <b>723 855</b>   | <b>467 614</b>           | <b>58.3</b>                     | <b>272 655</b>       | <b>21 812</b>        |
| <b>Total credit risk</b>                        | <b>2 556 887</b> | <b>2 111 441</b>         | <b>43.9</b>                     | <b>926 103</b>       | <b>74 088</b>        |

### 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.

|  | DNB Bank ASA    |                  |                 | DNB Bank Group  |                  |                 | DNB Group       |                  |                 |
|--|-----------------|------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|-----------------|
|  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 31 Dec.<br>2016 | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 31 Dec.<br>2016 | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 31 Dec.<br>2016 |
| <i>Amounts in NOK million</i>  |                 |                  |                 |                 |                  |                 |                 |                  |                 |
| Total equity excluding profit for the period   | 169 720         | 167 430          | 168 104         | 203 685         | 184 000          | 190 078         | 216 897         | 195 945          | 206 423         |
| Effect from regulatory consolidation   |                 |                  |                 | 183             | (181)            | (181)           | (6 328)         | (4 705)          | (5 795)         |
| Additional Tier 1 capital instruments included in total equity   | (15 574)        | (15 574)         | (15 574)        | (15 574)        | (15 574)         | (15 574)        | (15 574)        | (15 574)         | (15 574)        |
| Net accrued interest on additional Tier 1 capital instruments  | (439)           | (289)            | (284)           | (439)           | (289)            | (284)           | (439)           | (289)            | (284)           |
| Total equity   | 153 708         | 151 567          | 152 246         | 187 856         | 167 956          | 174 039         | 194 557         | 175 377          | 184 770         |
| Deductions   |                 |                  |                 |                 |                  |                 |                 |                  |                 |
| Pension funds above pension commitments  |                 | (9)              |                 |                 | (9)              |                 |                 | (9)              |                 |
| Goodwill   | (2 404)         | (2 894)          | (2 900)         | (2 559)         | (2 949)          | (2 951)         | (4 264)         | (4 654)          | (4 656)         |
| Deferred tax assets that are not due to temporary differences  | (584)           | (224)            | (224)           | (454)           | (599)            | (482)           | (454)           | (599)            | (482)           |
| Other intangible assets  | (1 110)         | (771)            | (699)           | (1 984)         | (1 584)          | (946)           | (1 984)         | (1 584)          | (946)           |
| Dividends payable etc.   |                 |                  |                 | (15 804)        |                  | (5 084)         | (13 529)        | (1 630)          | (9 284)         |
| Significant investments in financial sector entities   |                 |                  |                 |                 |                  |                 | (363)           | (1 018)          |                 |
| Expected losses exceeding actual losses, IRB portfolios  | (951)           | (594)            | (6)             | (1 915)         | (799)            | (153)           | (1 915)         | (799)            | (153)           |
| Value adjustments due to the requirements for prudent valuation (AVA)  | (449)           | (415)            | (479)           | (720)           | (743)            | (786)           | (720)           | (743)            | (786)           |
| Adjustments for unrealised losses/(gains) on debt recorded at fair value   | 123             | 107              | 107             | 123             | (90)             | (90)            | 123             | (90)             | (90)            |
| Adjustments for unrealised losses/(gains) arising from the institution's own credit risk related to derivative liabilities | (481)           | (501)            | (580)           | (113)           | (122)            | (159)           | (113)           | (122)            | (159)           |
| Common Equity Tier 1 capital   | 147 851         | 146 268          | 147 467         | 164 431         | 161 062          | 163 389         | 171 339         | 164 130          | 168 214         |
| Common Equity Tier 1 capital incl. 50 per cent of profit for the period  |                 | 151 465          |                 |                 | 167 672          |                 |                 | 171 295          |                 |
| Additional Tier 1 capital instruments  | 15 574          | 15 574           | 17 471          | 15 574          | 15 574           | 17 471          | 15 574          | 15 574           | 17 471          |
| Non-eligible Tier 1 capital, DNB Group <sup>1)</sup>   |                 |                  |                 |                 |                  |                 | (56)            | (554)            | (176)           |
| Tier 1 capital   | 163 425         | 161 842          | 164 938         | 180 005         | 176 636          | 180 860         | 186 856         | 179 149          | 185 509         |
| Tier 1 capital incl. 50 per cent of profit for the period  |                 | 167 039          |                 |                 | 183 246          |                 |                 | 186 314          |                 |
| Perpetual subordinated loan capital  | 5 361           | 5 216            | 5 602           | 5 361           | 5 216            | 5 602           | 5 361           | 5 216            | 5 602           |
| Term subordinated loan capital   | 23 897          | 23 123           | 21 249          | 23 897          | 23 123           | 21 249          | 23 897          | 23 123           | 21 249          |
| Deduction of holdings of Tier 2 instruments in DNB Livsforsikring and DNB Forsikring                                       |                 |                  |                 |                 |                  |                 | (5 750)         | (5 750)          | (5 750)         |
| Non-eligible Tier 2 capital, DNB Group <sup>1)</sup>   |                 |                  |                 |                 |                  |                 | (1 813)         | (2 372)          | (1 440)         |
| Tier 2 capital   | 29 258          | 28 339           | 26 851          | 29 258          | 28 339           | 26 851          | 21 696          | 20 217           | 19 661          |
| Total eligible capital   | 192 683         | 190 181          | 191 789         | 209 263         | 204 975          | 207 711         | 208 552         | 199 367          | 205 170         |
| Total eligible capital incl. 50 per cent of profit for the period  |                 | 195 378          |                 |                 | 211 585          |                 |                 | 206 531          |                 |
| Risk-weighted volume, transitional rules   | 835 986         | 823 223          | 773 244         | 1 014 683       | 1 027 408        | 1 040 888       | 1 042 601       | 1 053 673        | 1 051 498       |
| Minimum capital requirement  | 66 879          | 65 858           | 61 860          | 81 175          | 82 193           | 83 271          | 83 408          | 84 294           | 84 120          |
| <b>Common equity Tier 1 capital ratio, transitional rules (%)</b>  | <b>17.7</b>     | <b>18.4</b>      | <b>19.1</b>     | <b>16.2</b>     | <b>16.3</b>      | <b>15.7</b>     | <b>16.4</b>     | <b>16.3</b>      | <b>16.0</b>     |
| <b>Tier 1 capital ratio, transitional rules (%)</b>  | <b>19.5</b>     | <b>20.3</b>      | <b>21.3</b>     | <b>17.7</b>     | <b>17.8</b>      | <b>17.4</b>     | <b>17.9</b>     | <b>17.7</b>      | <b>17.6</b>     |
| <b>Capital ratio, transitional rules (%)</b>   | <b>23.0</b>     | <b>23.7</b>      | <b>24.8</b>     | <b>20.6</b>     | <b>20.6</b>      | <b>20.0</b>     | <b>20.0</b>     | <b>19.6</b>      | <b>19.5</b>     |
| Common equity Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)                 |                 | 17.8             |                 |                 | 15.7             |                 |                 | 15.6             |                 |
| Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)                               |                 | 19.7             |                 |                 | 17.2             |                 |                 | 17.0             |                 |
| Capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)                                      |                 | 23.1             |                 |                 | 20.0             |                 |                 | 18.9             |                 |

<sup>1)</sup> Tier 1 and Tier 2 capital in DNB Bank ASA are 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.

### 1.10.7 Cross-sectoral financial group

Financial groups that consist of both a credit institution and an insurance undertaking and have been defined by the authorities as a "financial conglomerate" or cross-sectoral financial group, have to report capital adequacy on a consolidated basis. The cross-sectoral calculation tests that the DNB Group complies with the sectoral requirements, the "capital adequacy calculation in accordance with CRD IV" and "the Solvency II calculations", and does not include the capital that is transferred from one sector to the other.

| <i>Amounts in NOK million</i>                                  | 31 Dec.<br>2017 |
|--|-----------------|
| Capital requirements for the CRD IV group                      | 188 198         |
| Solvency capital requirements for the insurance companies      | 18 496          |
| <b>Total capital requirements</b>                              | <b>206 694</b>  |
| Net primary capital for entities included in the CRD IV report | 208 559         |
| Intercompany   | -17 639         |
| Net primary capital for the insurance companies                | 35 194          |
| <b>Total net primary capital</b>                               | <b>226 114</b>  |
| <b>Overfunding</b>   | <b>19 420</b>   |

## 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>                | 4Q17         | Change<br>3Q17-4Q17 | Change<br>4Q16-4Q17 |
|--|--------------|---------------------|---------------------|
| <b>Net interest income</b>                   | <b>8 863</b> | <b>(144)</b>        | <b>491</b>          |
| Personal customers                           | 3 518        | 89                  | 401                 |
| Small and medium-sized enterprises           | 2 281        | 140                 | 161                 |
| Large corporates and international customers | 3 041        | (170)               | (256)               |
| Trading                                      | (81)         | (61)                | (82)                |
| Other  | 103          | (143)               | 266                 |

### Changes in net other operating income

| <i>Amounts in NOK million</i>                | 4Q17         | Change<br>3Q17-4Q17 | Change<br>4Q16-4Q17 |
|--|--------------|---------------------|---------------------|
| <b>Net other operating income</b>            | <b>4 415</b> | <b>493</b>          | <b>185</b>          |
| Personal customers                           | 1 154        | (222)               | (6)                 |
| Small and medium-sized enterprises           | 501          | (26)                | (72)                |
| Large corporates and international customers | 1 226        | (306)               | (262)               |
| Trading                                      | 564          | (148)               | (253)               |
| Traditional pension products                 | 457          | 84                  | 177                 |
| Other  | 514          | 1 111               | 601                 |

### Changes in operating expenses

| <i>Amounts in NOK million</i>                | 4Q17           | Change<br>3Q17-4Q17 | Change<br>4Q16-4Q17 |
|--|----------------|---------------------|---------------------|
| <b>Operating expenses</b>                    | <b>(6 018)</b> | <b>(499)</b>        | <b>(825)</b>        |
| Personal customers                           | (1 978)        | 108                 | 0                   |
| Small and medium-sized enterprises           | (1 109)        | (56)                | (14)                |
| Large corporates and international customers | (1 741)        | 156                 | 83                  |
| Trading                                      | (158)          | (78)                | 1                   |
| Traditional pension products                 | (89)           | 7                   | 7                   |
| Other  | (943)          | (636)               | (902)               |

### Changes in impairment of loans and guarantees

| <i>Amounts in NOK million</i>                | 4Q17         | Change<br>3Q17-4Q17 | Change<br>4Q16-4Q17 |
|--|--------------|---------------------|---------------------|
| <b>Impairment of loans and guarantees</b>    | <b>(402)</b> | <b>466</b>          | <b>1 351</b>        |
| Personal customers                           | (137)        | (57)                | (244)               |
| Small and medium-sized enterprises           | (150)        | (3)                 | 132                 |
| Large corporates and international customers | (99)         | 542                 | 1 473               |
| Other  | (16)         | (17)                | (10)                |

## 2.1.2 Extracts from income statement

|   | Personal customers |         | Small and medium-sized enterprises |         | Large corporates and international customers |         | Trading |       | Traditional pension products <sup>1)</sup> |      | Other operations/eliminations <sup>2)</sup> |       | DNB Group |         |
|---|--------------------|---------|------------------------------------|---------|--|---------|---------|-------|--|------|---|-------|-----------|---------|
| <i>Amounts in NOK million</i>                     | 4Q17               | 4Q16    | 4Q17                               | 4Q16    | 4Q17   | 4Q16    | 4Q17    | 4Q16  | 4Q17                                       | 4Q16 | 4Q17  | 4Q16  | 4Q17      | 4Q16    |
| Net interest income                               | 3 518              | 3 117   | 2 281                              | 2 120   | 3 041  | 3 297   | (81)    | 1     |  |      | 103   | (163) | 8 863     | 8 372   |
| Net other operating income                        | 1 154              | 1 160   | 501                                | 572     | 1 226  | 1 488   | 564     | 817   | 457  | 280  | 514   | (87)  | 4 415     | 4 230   |
| Total income                                      | 4 672              | 4 277   | 2 782                              | 2 692   | 4 267  | 4 785   | 483     | 818   | 457  | 280  | 617   | (250) | 13 278    | 12 602  |
| Operating expenses                                | (1 978)            | (1 979) | (1 109)                            | (1 095) | (1 741)                                      | (1 823) | (158)   | (159) | (89)                                       | (96) | (943)                                       | (41)  | (6 018)   | (5 194) |
| Pre-tax operating profit before impairment        | 2 693              | 2 298   | 1 673                              | 1 597   | 2 526  | 2 962   | 325     | 659   | 368  | 184  | (326)                                       | (291) | 7 260     | 7 409   |
| Net gains on fixed and intangible assets          |                    |         | (1)                                |         |  | (4)     |         |       |  |      | (35)  | (8)   | (35)      | (12)    |
| Impairment of loans and guarantees                | (137)              | 107     | (150)                              | (281)   | (99)   | (1 572) |         |       |  |      | (16)  | (6)   | (402)     | (1 753) |
| Profit from repossessed operations                |                    |         | 11                                 | 40      | (13)   | 7       |         |       |  |      | 2   | (47)  |           |         |
| Pre-tax operating profit                          | 2 557              | 2 406   | 1 534                              | 1 355   | 2 414  | 1 393   | 325     | 659   | 368  | 184  | (374)                                       | (352) | 6 823     | 5 644   |
| Tax expense                                       | (639)              | (601)   | (383)                              | (339)   | (676)  | (376)   | (75)    | (165) | 98   | 49   | 1 229                                       | 1 143 | (446)     | (290)   |
| Profit from operations held for sale, after taxes |                    |         |                                    |         |  |         |         |       |  |      | (3)   | 26    | (3)       | 26      |
| Profit for the period                             | 1 917              | 1 804   | 1 150                              | 1 016   | 1 738  | 1 017   | 250     | 494   | 466  | 233  | 852   | 817   | 6 374     | 5 380   |

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, People and Operations, Group Finance including Group Treasury, Risk Management, Media & Marketing, Compliance, New Business, 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>  | 4Q17  | 4Q16  |
|--|-------|-------|
| Unallocated interest income  | (23)  | (298) |
| Income from equity investments   | 32    | 81    |
| Gains on fixed and intangible assets   | (35)  | (8)   |
| Mark-to-market adjustments on financial instruments  | 300   | 681   |
| Basis swaps  | 62    | (713) |
| Profit from associated companies   | (74)  | (45)  |
| Net gains on investment properties   | 160   | 15    |
| Profit from repossessed operations   | 2     | (47)  |
| Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.) | (87)  | (115) |
| Unallocated personnel expenses   | (147) | 50    |
| Unallocated IT and Operations expenses   | 1     | 63    |
| Impairment losses for goodwill relating to external distribution of credit cards under the Cresco brand  | (502) |       |
| Other  | (63)  | (16)  |
| Pre-tax operating profit   | (374) | (352) |

## 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 |         |
|--|--------------------|-------|------------------------------------|-------|--|-------|---------|------|------------------------------|-------|-------------------------------|--------|-----------|---------|
| Amounts in NOK billion                   | 4Q17               | 4Q16  | 4Q17                               | 4Q16  | 4Q17   | 4Q16  | 4Q17    | 4Q16 | 4Q17                         | 4Q16  | 4Q17                          | 4Q16   | 4Q17      | 4Q16    |
| Loans to customers <sup>1) 2)</sup>      | 743.6              | 705.9 | 286.4                              | 263.9 | 422.7  | 511.3 | 33.7    | 24.4 | 36.8                         | 32.5  | 19.4                          | (33.1) | 1 542.6   | 1 505.1 |
| Deposits from customers <sup>1) 2)</sup> | 404.0              | 399.4 | 210.5                              | 185.7 | 337.8  | 367.0 | 104.9   | 54.5 |                              |       | (8.0)                         | (44.9) | 1 049.1   | 961.7   |
| Assets under management                  | 86.1               | 78.0  | 95.2                               | 77.0  | 213.7  | 180.9 |         |      | 204.3                        | 202.8 | 28.0                          | 22.1   | 627.3     | 560.8   |
| Allocated capital <sup>3)</sup>          | 39.8               | 39.6  | 26.3                               | 26.8  | 73.7   | 84.8  | 6.1     | 7.2  | 21.6                         | 19.9  |                               |        |           |         |

### Key figures

|   | Personal customers |      | Small and medium-sized enterprises |      | Large corporates and international customers |      | Trading |      | Traditional pension products |      | Other operations |      | DNB Group |      |
|---|--------------------|------|------------------------------------|------|--|------|---------|------|------------------------------|------|------------------|------|-----------|------|
| Per cent  | 4Q17               | 4Q16 | 4Q17                               | 4Q16 | 4Q17   | 4Q16 | 4Q17    | 4Q16 | 4Q17                         | 4Q16 | 4Q17             | 4Q16 | 4Q17      | 4Q16 |
| Cost/income ratio <sup>4)</sup>                       | 42.3               | 46.3 | 39.9                               | 40.7 | 40.8   | 38.1 | 32.7    | 19.5 | 19.5                         | 34.3 |                  |      | 45.3      | 41.2 |
| Ratio of deposits to loans <sup>2) 5)</sup>           | 54.3               | 56.6 | 73.5                               | 70.3 | 79.9   | 71.8 |         |      |                              |      |                  |      | 68.0      | 63.9 |
| Return on allocated capital, annualised <sup>3)</sup> | 19.1               | 18.1 | 17.4                               | 15.1 | 9.4  | 4.8  | 16.3    | 27.2 | 8.6                          | 4.7  |                  |      | 12.3      | 10.9 |

### Balance sheet items

|                         | Personal customers |         | Small and medium-sized enterprises |         | Large corporates and international customers |         | Trading |         | Traditional pension products |         | Other operations/eliminations |         | DNB Group |         |
|-------------------------|--------------------|---------|------------------------------------|---------|--|---------|---------|---------|------------------------------|---------|-------------------------------|---------|-----------|---------|
| Amounts in NOK billion  | 31 Dec.            | 31 Dec. | 31 Dec.                            | 31 Dec. | 31 Dec.                                      | 31 Dec. | 31 Dec. | 31 Dec. | 31 Dec.                      | 31 Dec. | 31 Dec.                       | 31 Dec. | 31 Dec.   | 31 Dec. |
| Loans to customers      | 747.2              | 706.0   | 291.1                              | 265.8   | 409.6  | 499.7   | 38.7    | 29.9    | 39.9                         | 38.9    | 18.8                          | (31.2)  | 1 545.4   | 1 509.1 |
| Deposits from customers | 403.4              | 397.5   | 206.5                              | 189.6   | 325.5  | 379.4   | 44.5    | 13.7    |                              |         | (8.8)                         | (45.2)  | 971.1     | 934.9   |

1) DNB's Baltic operation became part of a joint venture with Nordea from 1 October 2017. The Baltic operation was part of the Large corporates and international customers segment up until this date, and is thus reflected in the figures for previous quarters. 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. In the fourth quarter of 2016 reclassified loans amounted to NOK 46.5 billion and deposits to NOK 36.7 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   | 4Q17   | 3Q17   | 2Q17   | 1Q17 | 4Q16   | 3Q16   | 2Q16   | 1Q16 | 4Q15   |
|--|--------|--------|--------|------|--------|--------|--------|------|--------|
| Share of group income  | 82.5   | 78.4   | 78.7   | 77.2 | 78.3   | 77.6   | 79.2   | 77.8 | 73.9   |
| Cost/income ratio  | 45.6   | 42.8   | 43.5   | 47.0 | 40.9   | 40.9   | 39.4   | 42.8 | 24.1   |
| Share of net group loans to customers                                    | 87.0   | 84.2   | 83.3   | 83.3 | 83.1   | 82.7   | 81.4   | 81.6 | 81.0   |
| Non-performing and doubtful loans and guarantees relative to total loans | 0.8    | 0.8    | 1.0    | 0.9  | 1.1    | 1.1    | 0.9    | 0.6  | 0.4    |
| Provision ratio (per cent) <sup>1)</sup>                                 | 43.0   | 45.8   | 41.0   | 42.2 | 41.9   | 39.9   | 37.9   | 49.9 | 51.6   |
| Individual impairment in relation to net loans, annualised               | (0.16) | (0.09) | (0.04) | 0.08 | (0.31) | (0.37) | (0.33) | 0.02 | (0.14) |

### International units <sup>2)</sup>

| Per cent   | 4Q17   | 3Q17   | 2Q17   | 1Q17   | 4Q16   | 3Q16   | 2Q16   | 1Q16   | 4Q15   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Share of group income  | 17.5   | 21.6   | 21.3   | 22.8   | 21.7   | 22.4   | 20.8   | 22.2   | 26.1   |
| Cost/income ratio  | 43.9   | 42.4   | 41.8   | 41.1   | 42.5   | 39.7   | 41.7   | 38.3   | 39.3   |
| Share of net group loans to customers                                    | 13.0   | 15.8   | 16.7   | 16.7   | 16.9   | 14.4   | 18.6   | 18.4   | 19.0   |
| Non-performing and doubtful loans and guarantees relative to total loans | 2.2    | 2.7    | 3.4    | 3.5    | 3.9    | 2.1    | 2.5    | 2.5    | 2.4    |
| Provision ratio (per cent) <sup>1)</sup>                                 | 56.0   | 57.4   | 50.0   | 51.2   | 44.0   | 58.7   | 50.8   | 50.8   | 47.6   |
| Individual impairment in relation to net loans, annualised               | (0.66) | (0.58) | (0.57) | (1.11) | (0.87) | (0.69) | (0.80) | (0.85) | (0.75) |

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 up to and including 3Q17. Please refer to page 2 for further information on the deconsolidation of the Baltic portfolio.

The figures are based on the financial accounts.

## 2.2.1 Personal customers - Financial performance

| Amounts in NOK million                                  | 4Q17         | 3Q17         | 2Q17         | 1Q17         | 4Q16         | 3Q16         | 2Q16         | 1Q16         | 4Q15         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income <sup>1)</sup>                       | 3 518        | 3 429        | 3 306        | 3 114        | 3 117        | 3 176        | 3 221        | 3 290        | 3 496        |
| Net other operating income                              | 1 154        | 1 376        | 1 392        | 1 192        | 1 160        | 1 283        | 1 387        | 1 155        | 1 120        |
| Total income  | 4 672        | 4 805        | 4 698        | 4 305        | 4 277        | 4 458        | 4 607        | 4 445        | 4 616        |
| Operating expenses                                      | (1 978)      | (2 086)      | (2 111)      | (2 103)      | (1 979)      | (1 951)      | (2 081)      | (2 494)      | (2 157)      |
| Pre-tax operating profit before impairment              | 2 693        | 2 719        | 2 587        | 2 203        | 2 298        | 2 508        | 2 526        | 1 952        | 2 459        |
| Net gains on fixed and intangible assets                | (0)          |              | (0)          |              |              |              |              |              | 0            |
| Impairment losses on loans and guarantees <sup>1)</sup> | (137)        | (80)         | (100)        | 110          | 107          | (80)         | (89)         | 440          | 15           |
| Pre-tax operating profit                                | 2 557        | 2 639        | 2 486        | 2 313        | 2 406        | 2 428        | 2 437        | 2 392        | 2 474        |
| Tax expense   | (639)        | (660)        | (622)        | (578)        | (601)        | (607)        | (609)        | (598)        | (668)        |
| Profit from operations held for sale, after taxes       |              |              |              |              | 0            | 0            | (0)          | (1)          | (1)          |
| <b>Profit for the period</b>                            | <b>1 917</b> | <b>1 979</b> | <b>1 865</b> | <b>1 735</b> | <b>1 804</b> | <b>1 821</b> | <b>1 828</b> | <b>1 793</b> | <b>1 805</b> |
| <b>Average balance sheet items in NOK billion:</b>      |              |              |              |              |              |              |              |              |              |
| Loans to customers <sup>2) *)</sup>                     | 743.6        | 730.9        | 719.1        | 708.3        | 705.9        | 694.7        | 681.7        | 675.1        | 695.7        |
| Deposits from customers <sup>2)</sup>                   | 404.0        | 406.8        | 399.1        | 398.7        | 399.4        | 407.9        | 398.8        | 395.6        | 391.1        |
| Assets under management                                 | 86.1         | 83.8         | 82.4         | 80.6         | 78.0         | 75.7         | 74.9         | 75.7         | 75.2         |
| Allocated capital <sup>3)</sup>                         | 39.8         | 38.9         | 39.4         | 40.7         | 39.6         | 39.1         | 40.2         | 39.6         | 33.8         |
| <b>Key figures in per cent:</b>                         |              |              |              |              |              |              |              |              |              |
| Cost/income ratio                                       | 42.3         | 43.4         | 44.9         | 48.8         | 46.3         | 43.8         | 45.2         | 56.1         | 46.7         |
| Ratio of deposits to loans                              | 54.3         | 55.6         | 55.5         | 56.3         | 56.6         | 58.7         | 58.5         | 58.6         | 56.2         |
| Return on allocated capital, annualised <sup>3)</sup>   | 19.1         | 20.2         | 19.0         | 17.3         | 18.1         | 18.5         | 18.3         | 18.2         | 21.2         |

### \*) 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:

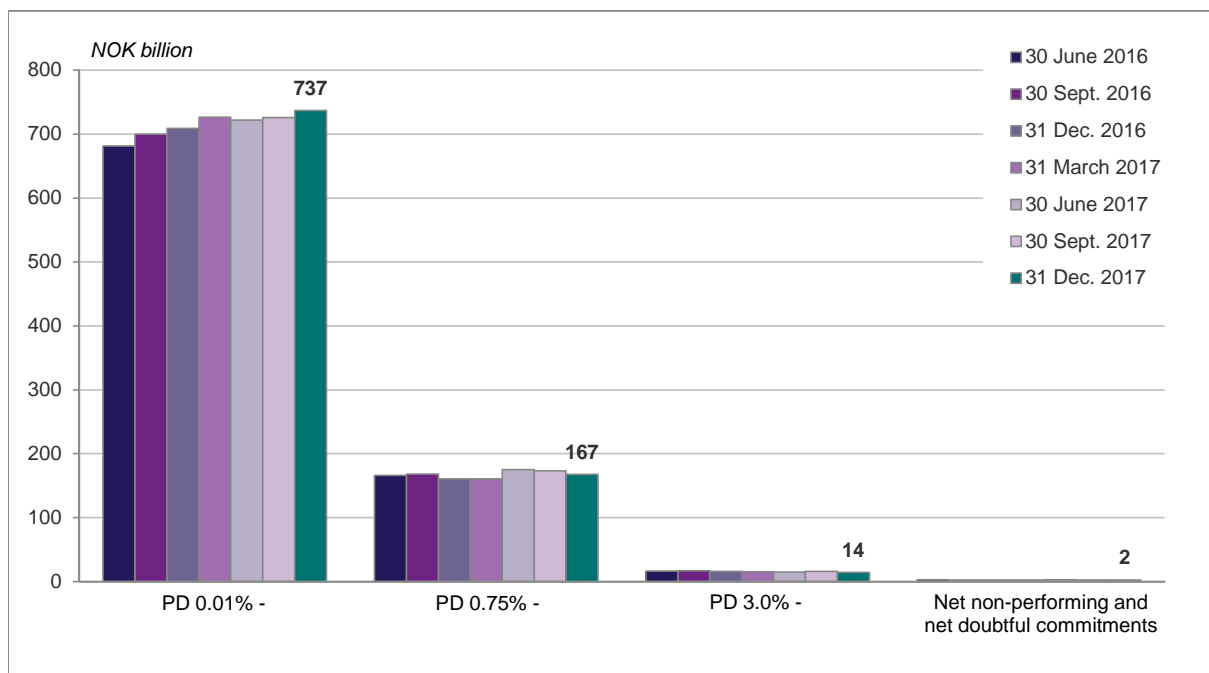
| Amounts in NOK billion   | 4Q17  | 3Q17  | 2Q17  | 1Q17  | 4Q16  | 3Q16  | 2Q16  | 1Q16  | 4Q15  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Loans to customers <sup>2)</sup>   | 743.6 | 730.9 | 719.1 | 708.3 | 705.9 | 694.7 | 681.7 | 675.1 | 695.7 |
| Home mortgages transferred to DNB Livsforsikring - assets under management | 18.3  | 19.9  | 21.1  | 21.8  | 19.6  | 18.0  | 18.5  | 19.1  | 8.0   |
| Loans to personal customers  | 761.9 | 750.9 | 740.2 | 730.1 | 725.5 | 712.7 | 700.3 | 694.1 | 703.7 |
| Net interest income on the transferred portfolio (NOK million)             | 30    | 37    | 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.

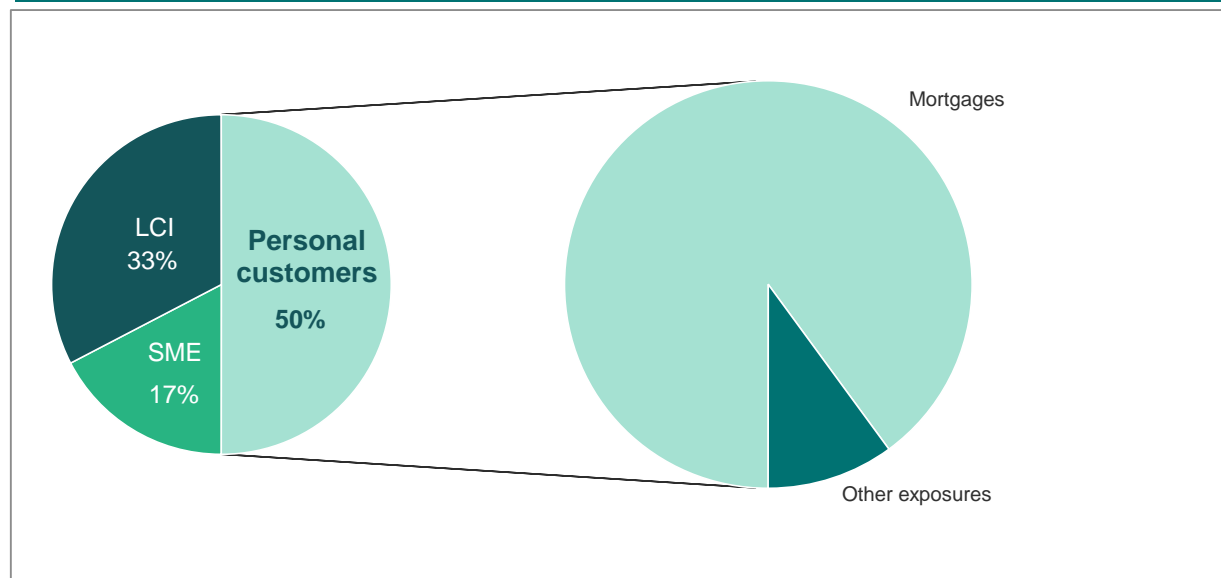
3) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

## 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 by industry segment as at 31 Dec. 2017



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

|                                       | 4Q17  | 3Q17  | 2Q17  | 1Q17  | 4Q16  | 3Q16  | 2Q16  | 1Q16  | 4Q15  |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Volumes (NOK billion):</b>         |       |       |       |       |       |       |       |       |       |
| Loans to customers <sup>1) 2)</sup>   | 740   | 728   | 716   | 705   | 703   | 692   | 679   | 673   | 689   |
| Deposits from customers <sup>1)</sup> | 402   | 405   | 398   | 398   | 397   | 406   | 398   | 395   | 387   |
| <b>Spread income (NOK million):</b>   |       |       |       |       |       |       |       |       |       |
| Lending spreads                       | 3 485 | 3 404 | 3 204 | 2 999 | 2 828 | 2 981 | 3 073 | 3 039 | 3 394 |
| Deposit spreads                       | 132   | 173   | 257   | 332   | 431   | 345   | 328   | 411   | 236   |
| <b>Spreads in per cent:</b>           |       |       |       |       |       |       |       |       |       |
| Lending spreads                       | 1.87  | 1.86  | 1.80  | 1.73  | 1.60  | 1.71  | 1.82  | 1.81  | 1.95  |
| Deposit spreads                       | 0.13  | 0.17  | 0.26  | 0.34  | 0.43  | 0.34  | 0.33  | 0.42  | 0.24  |

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 were transferred from the Personal customers segment to the Traditional pension products segment. Personal Banking Norway will continue to manage the portfolios on behalf of DNB Livsforsikring.

## 2.2.5 Personal customers - Distribution of loan to value

### Loan to value per risk grade as at 31 December 2017

|  | Risk grade |          |      | Total | Share of loan to value in per cent <sup>1)</sup> |
|--|------------|----------|------|-------|--|
|  | Low        | Moderate | High |       |  |
| Loan to value in NOK billion <sup>1)</sup> |            |          |      |       |  |
| 0-40                                       | 108        | 18       | 1    | 127   | 16.4 %   |
| 40-60                                      | 203        | 43       | 2    | 248   | 32.2 %   |
| 60-75                                      | 188        | 47       | 3    | 237   | 30.8 %   |
| 75-85                                      | 81         | 26       | 2    | 109   | 14.1 %   |
| >85  | 37         | 12       | 1    | 50    | 6.5 %  |
| Total exposure at default                  | 617        | 146      | 8    | 771   | 100.0 %  |

### \* Development in loan to value

|  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Loan to value in per cent <sup>1) 2)</sup> |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| 0-40                                       | 16.4 %          | 17.5 %           | 18.1 %          | 17.7 %           | 16.8 %          | 16.2 %           | 16.3 %          | 14.9 %           | 15.1 %          |
| 40-60                                      | 32.2 %          | 33.8 %           | 34.8 %          | 33.5 %           | 31.4 %          | 30.5 %           | 30.8 %          | 28.1 %           | 28.3 %          |
| 60-75                                      | 30.8 %          | 30.0 %           | 30.5 %          | 32.1 %           | 33.6 %          | 34.0 %           | 33.8 %          | 34.2 %           | 34.5 %          |
| 75-85                                      | 14.1 %          | 12.6 %           | 12.2 %          | 12.1 %           | 12.8 %          | 13.6 %           | 13.5 %          | 15.1 %           | 14.8 %          |
| >85  | 6.5 %           | 6.0 %            | 4.3 %           | 4.6 %            | 5.5 %           | 5.8 %            | 5.6 %           | 7.8 %            | 7.3 %           |
| Total                                      | 100.0 %         | 100.0 %          | 100.0 %         | 100.0 %          | 100.0 %         | 100.0 %          | 100.0 %         | 100.0 %          | 100.0 %         |
| Average loan to value                      | 59.6 %          | 58.5 %           | 57.7 %          | 58.1 %           | 59.2 %          | 59.9 %           | 59.7 %          | 61.7 %           | 61.3 %          |
| Total exposure at default (NOK billion)    | 771             | 762              | 750             | 735              | 726             | 720              | 707             | 691              | 685             |
| Total drawn amount (NOK billion)           | 699             | 690              | 680             | 666              | 659             | 655              | 644             | 631              | 627             |

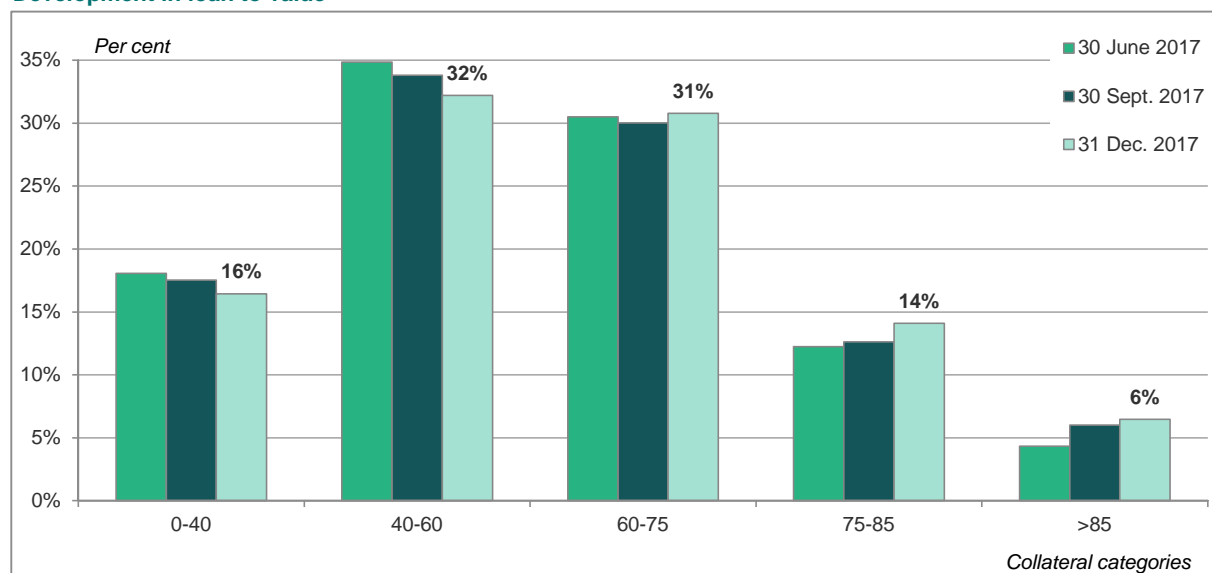
1) The total exposure (EAD) is included in the actual collateral category.

2) The sale of a portfolio of home mortgages amounting to approximately NOK 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.

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                                    | 4Q17 | 3Q17 | 2Q17 | 1Q17 | 4Q16 | 3Q16 | 2Q16 | 1Q16 | 4Q15 |
|---|------|------|------|------|------|------|------|------|------|
| Average loans to customers                                | 619  | 615  | 611  | 604  | 600  | 590  | 577  | 567  | 572  |
| Portfolio transferred to DNB Livsforsikring <sup>1)</sup> | 18   | 20   | 21   | 22   | 20   | 18   | 19   | 19   | 8    |
| Average loans to customers including transferred loans    | 638  | 635  | 615  | 626  | 620  | 608  | 595  | 586  | 580  |
| Spreads measured against actual funding costs (per cent)  | 0.91 | 0.90 | 0.81 | 0.66 | 0.53 | 0.66 | 0.78 | 0.82 | 0.95 |

<sup>1)</sup> 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 were transferred from the Personal customers segment to the Traditional pension products segment. Personal Banking Norway will continue to manage the portfolios on behalf of DNB Livsforsikring.

## 2.2.7 DNB Eiendom - Residential real estate broking in Norway

|   | 4Q17  | 3Q17  | 2Q17  | 1Q17  | 4Q16  | 3Q16  | 2Q16  | 1Q16  | 4Q15  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Number of properties sold                 | 4 945 | 5 727 | 7 077 | 5 780 | 5 325 | 5 942 | 7 311 | 5 400 | 5 035 |
| Fees on real estate broking (NOK million) | 233   | 270   | 344   | 269   | 242   | 282   | 348   | 248   | 236   |
| Market shares (per cent) <sup>1)</sup>    | 19.0  | 19.7  | 19.9  | 19.5  | 19.2  | 18.4  | 18.8  | 19.9  | 19.3  |

<sup>1)</sup> Management's estimates.

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

| <i>Amounts in NOK million</i>                           | 4Q17         | 3Q17         | 2Q17         | 1Q17         | 4Q16         | 3Q16       | 2Q16       | 1Q16       | 4Q15       |
|---|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|
| Net interest income                                     | 2 281        | 2 141        | 2 121        | 2 035        | 2 120        | 1 952      | 1 933      | 1 937      | 1 610      |
| Net other operating income                              | 501          | 527          | 515          | 557          | 572          | 467        | 521        | 470        | 449        |
| Total income  | 2 782        | 2 668        | 2 636        | 2 593        | 2 692        | 2 419      | 2 454      | 2 407      | 2 059      |
| Operating expenses                                      | (1 109)      | (1 053)      | (1 053)      | (1 164)      | (1 095)      | (996)      | (1 025)    | (1 014)    | (807)      |
| Pre-tax operating profit before impairment              | 1 673        | 1 614        | 1 582        | 1 429        | 1 597        | 1 423      | 1 429      | 1 393      | 1 252      |
| Net gains on fixed and intangible assets                | (1)          |              | (0)          | (0)          | (0)          | 1          | (1)        | 3          | (0)        |
| Impairment losses on loans and guarantees <sup>1)</sup> | (150)        | (146)        | (127)        | 10           | (281)        | (339)      | (209)      | (259)      | (360)      |
| Profit from repossessed operations <sup>2)</sup>        | 11           | 30           | (17)         | (10)         | 40           | (6)        | (12)       | (17)       | 35         |
| Pre-tax operating profit                                | 1 534        | 1 498        | 1 438        | 1 429        | 1 355        | 1 079      | 1 208      | 1 121      | 927        |
| Tax expense   | (383)        | (375)        | (359)        | (357)        | (339)        | (270)      | (302)      | (280)      | (250)      |
| <b>Profit for the period</b>                            | <b>1 150</b> | <b>1 124</b> | <b>1 078</b> | <b>1 072</b> | <b>1 016</b> | <b>809</b> | <b>906</b> | <b>841</b> | <b>677</b> |
| <b>Average balance sheet items in NOK billion:</b>      |              |              |              |              |              |            |            |            |            |
| Loans to customers <sup>3)</sup>                        | 286.4        | 277.9        | 274.3        | 268.5        | 263.9        | 259.9      | 256.1      | 252.7      | 220.3      |
| Deposits from customers <sup>3)</sup>                   | 210.5        | 208.6        | 205.2        | 197.9        | 185.7        | 179.5      | 173.5      | 170.3      | 172.8      |
| Assets under management                                 | 95.2         | 89.6         | 86.3         | 82.2         | 77.0         | 72.4       | 69.4       | 67.7       | 64.1       |
| Allocated capital <sup>4)</sup>                         | 26.3         | 25.9         | 26.1         | 26.5         | 26.8         | 26.6       | 26.7       | 27.3       | 21.0       |
| <b>Key figures in per cent:</b>                         |              |              |              |              |              |            |            |            |            |
| Cost/income ratio                                       | 39.9         | 39.5         | 40.0         | 44.9         | 40.7         | 41.2       | 41.8       | 42.1       | 39.2       |
| Ratio of deposits to loans                              | 73.5         | 75.0         | 74.8         | 73.7         | 70.3         | 69.1       | 67.8       | 67.4       | 78.5       |
| Return on allocated capital, annualised <sup>4)</sup>   | 17.4         | 17.2         | 16.6         | 16.4         | 15.1         | 12.1       | 13.7       | 12.4       | 12.8       |

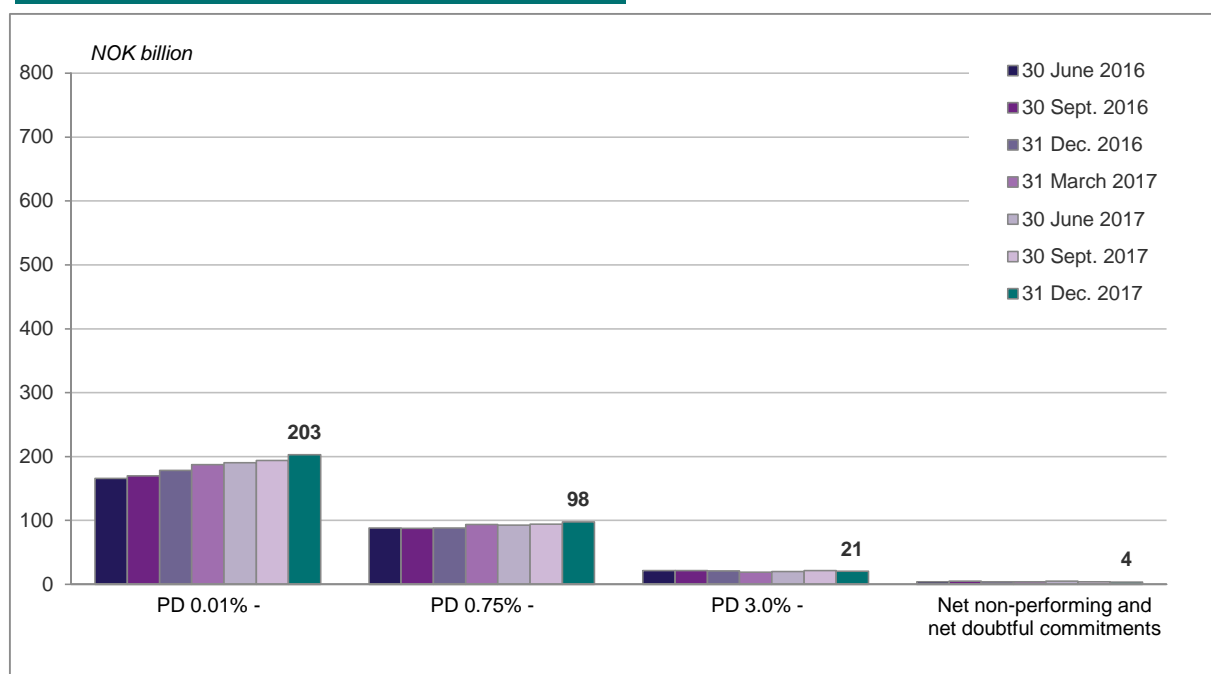
1) Including collective impairment.

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.

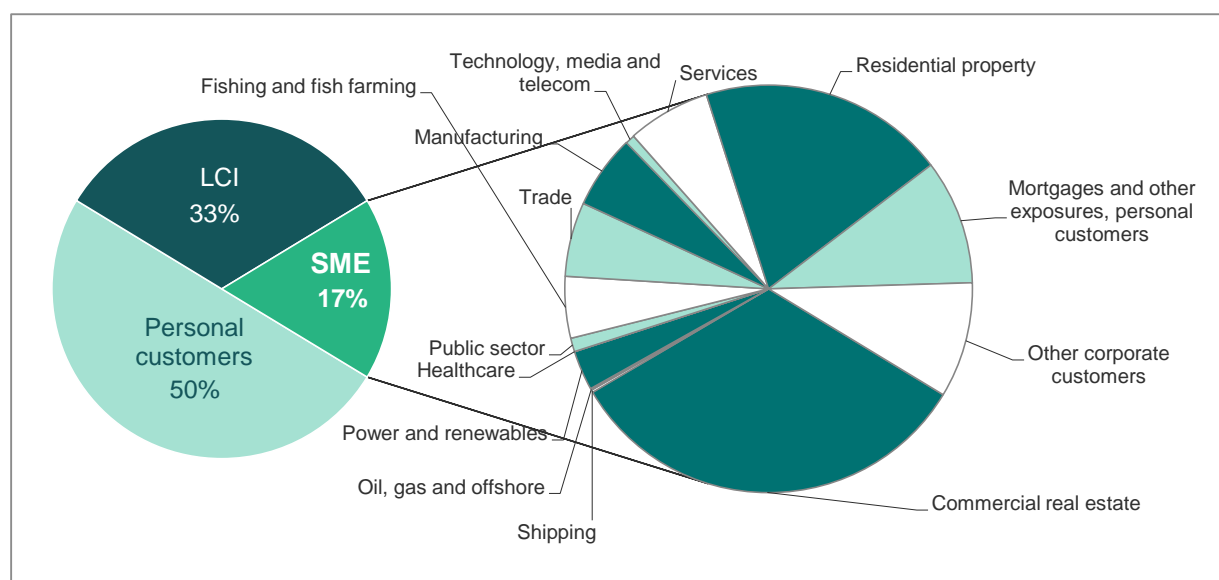
4) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

### 2.3.2 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 by industry segment as at 31 Dec. 2017



### 2.3.4 SME - Development in average volumes and interest rate spreads

|                                       | 4Q17  | 3Q17  | 2Q17  | 1Q17  | 4Q16  | 3Q16  | 2Q16  | 1Q16  | 4Q15  |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Volumes (NOK billion):</b>         |       |       |       |       |       |       |       |       |       |
| Loans to customers <sup>1)</sup>      | 283   | 274   | 271   | 265   | 260   | 257   | 253   | 244   | 218   |
| Deposits from customers <sup>1)</sup> | 210   | 208   | 205   | 198   | 185   | 179   | 173   | 170   | 172   |
| <b>Spread income (NOK million):</b>   |       |       |       |       |       |       |       |       |       |
| Lending spreads                       | 1 842 | 1 790 | 1 769 | 1 681 | 1 672 | 1 711 | 1 651 | 1 578 | 1 291 |
| Deposit spreads                       | 157   | 157   | 177   | 207   | 205   | 173   | 166   | 195   | 168   |
| <b>Spreads in per cent:</b>           |       |       |       |       |       |       |       |       |       |
| Lending spreads                       | 2.58  | 2.59  | 2.62  | 2.57  | 2.56  | 2.65  | 2.62  | 2.60  | 2.35  |
| Deposit spreads                       | 0.30  | 0.30  | 0.35  | 0.42  | 0.44  | 0.38  | 0.38  | 0.46  | 0.39  |

<sup>1)</sup> Nominal values, excluding impaired loans.

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

| <i>Amounts in NOK million</i>                           | 4Q17         | 3Q17         | 2Q17         | 1Q17         | 4Q16         | 3Q16         | 2Q16       | 1Q16         | 4Q15         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|
| Net interest income                                     | 3 041        | 3 211        | 3 330        | 3 100        | 3 297        | 3 273        | 3 231      | 3 382        | 3 929        |
| Net other operating income                              | 1 226        | 1 531        | 1 524        | 1 449        | 1 488        | 1 643        | 1 611      | 1 275        | 1 358        |
| Total income  | 4 267        | 4 742        | 4 854        | 4 550        | 4 785        | 4 916        | 4 841      | 4 658        | 5 287        |
| Operating expenses                                      | (1 741)      | (1 896)      | (2 027)      | (1 907)      | (1 823)      | (1 781)      | (1 803)    | (1 869)      | (2 202)      |
| Pre-tax operating profit before impairment              | 2 526        | 2 846        | 2 827        | 2 642        | 2 962        | 3 135        | 3 038      | 2 789        | 3 086        |
| Net gains on fixed and intangible assets                | 0            | (3)          | 18           | 6            | (4)          | 18           | 5          | 4            | 5            |
| Impairment losses on loans and guarantees <sup>1)</sup> | (99)         | (642)        | (362)        | (697)        | (1 572)      | (1 757)      | (2 028)    | (1 358)      | (1 079)      |
| Profit from repossessed operations <sup>2)</sup>        | (13)         | (2)          | (4)          | (0)          | 7            | 4            | (5)        | 1            | (6)          |
| Pre-tax operating profit                                | 2 414        | 2 199        | 2 479        | 1 951        | 1 393        | 1 400        | 1 011      | 1 436        | 2 006        |
| Tax expense   | (676)        | (616)        | (694)        | (546)        | (376)        | (378)        | (273)      | (388)        | (582)        |
| Profit from operations held for sale, after taxes       | (0)          |              | (0)          | (0)          | (0)          | (0)          | (0)        | 3            |              |
| <b>Profit for the period</b>                            | <b>1 738</b> | <b>1 583</b> | <b>1 785</b> | <b>1 405</b> | <b>1 017</b> | <b>1 022</b> | <b>738</b> | <b>1 052</b> | <b>1 424</b> |
| <b>Average balance sheet items in NOK billion:</b>      |              |              |              |              |              |              |            |              |              |
| Loans to customers <sup>3)</sup>                        | 422.7        | 485.8        | 508.4        | 497.0        | 511.3        | 533.1        | 534.3      | 543.6        | 579.3        |
| Deposits from customers <sup>3)</sup>                   | 337.8        | 377.2        | 391.9        | 393.2        | 367.0        | 374.4        | 378.5      | 383.2        | 403.5        |
| Assets under management                                 | 213.7        | 207.8        | 202.9        | 189.1        | 180.9        | 181.8        | 180.6      | 205.0        | 222.7        |
| Allocated capital <sup>4)</sup>                         | 73.7         | 82.4         | 86.1         | 83.1         | 84.8         | 87.1         | 83.1       | 84.7         | 70.9         |
| <b>Key figures in per cent:</b>                         |              |              |              |              |              |              |            |              |              |
| Cost/income ratio                                       | 40.8         | 40.0         | 41.8         | 41.9         | 38.1         | 36.2         | 37.2       | 40.1         | 41.6         |
| Ratio of deposits to loans                              | 79.9         | 77.6         | 77.1         | 79.1         | 71.8         | 70.2         | 70.8       | 70.5         | 69.6         |
| Return on allocated capital, annualised <sup>4)</sup>   | 9.4          | 7.6          | 8.3          | 6.9          | 4.8          | 4.7          | 3.6        | 5.0          | 8.0          |

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.

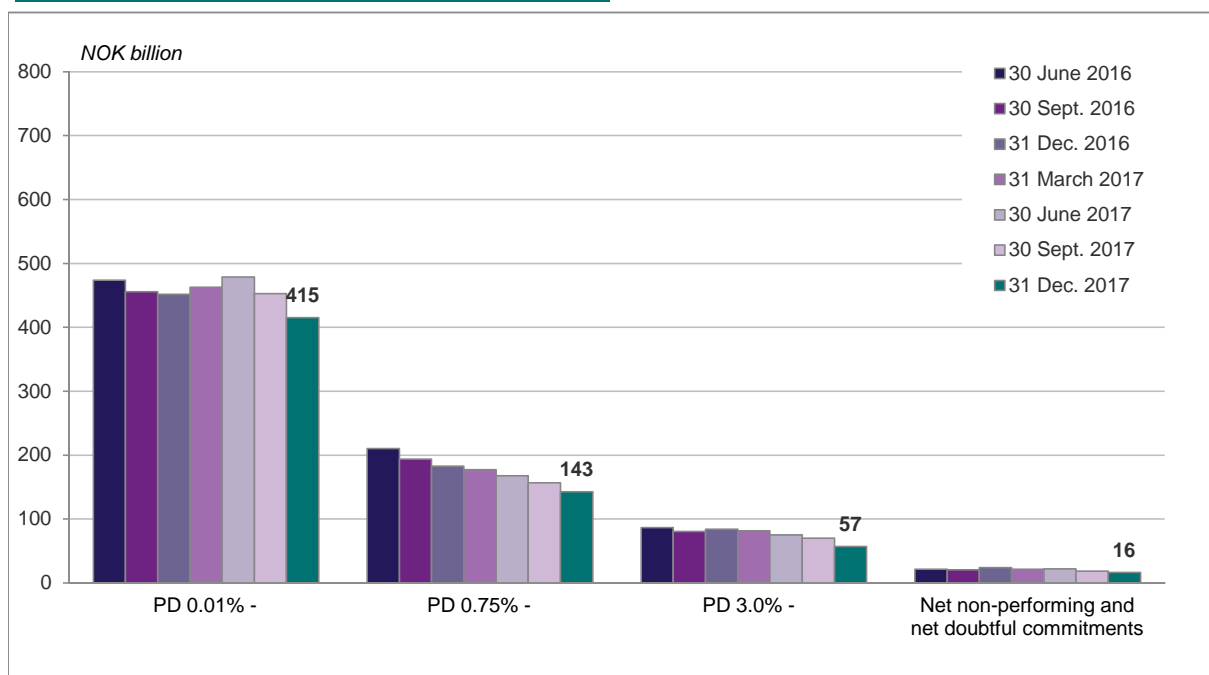
3) Loans to customers include accrued interest and impairment. Correspondingly, deposits from customers include accrued interest.

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

DNB's Baltic operation became part of a joint venture with Nordea from 1 October 2017. The Baltic operation was part of the Large corporates and international customers segment up until this date, and is thus reflected in the figures for previous quarters.

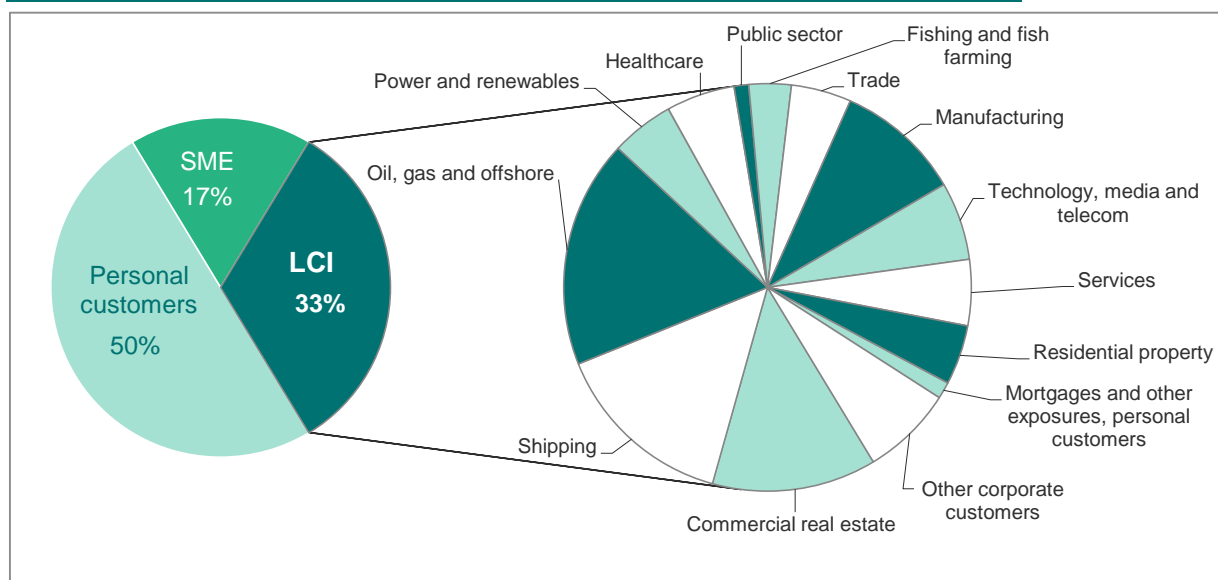


## 2.4.2 LCI - Risk classification of portfolio



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 by industry segment as at 31 Dec. 2017



## 2.4.4 LCI - Development in average volumes and interest rate spreads

|                                       | 4Q17  | 3Q17  | 2Q17  | 1Q17   | 4Q16   | 3Q16   | 2Q16   | 1Q16   | 4Q15   |
|---------------------------------------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
| <b>Volumes (NOK billion):</b>         |       |       |       |        |        |        |        |        |        |
| Loans to customers <sup>1)</sup>      | 415   | 475   | 497   | 482    | 497    | 520    | 523    | 539    | 571    |
| Deposits from customers <sup>1)</sup> | 337   | 377   | 392   | 393    | 367    | 374    | 378    | 383    | 403    |
| <b>Spread income (NOK million):</b>   |       |       |       |        |        |        |        |        |        |
| Lending spreads                       | 2 213 | 2 570 | 2 679 | 2 591  | 2 690  | 2 815  | 2 793  | 2 893  | 3 159  |
| Deposit spreads                       | 32    | 32    | 39    | (41)   | (42)   | (67)   | (77)   | (40)   | (118)  |
| <b>Spreads in per cent:</b>           |       |       |       |        |        |        |        |        |        |
| Lending spreads                       | 2.11  | 2.15  | 2.16  | 2.18   | 2.15   | 2.15   | 2.15   | 2.16   | 2.19   |
| Deposit spreads                       | 0.04  | 0.03  | 0.04  | (0.04) | (0.05) | (0.07) | (0.08) | (0.04) | (0.12) |

<sup>1)</sup> Nominal values, excluding impaired loans.

## 2.5.1 Trading - Financial performance

| <i>Amounts in NOK million</i>                         | 4Q17       | 3Q17       | 2Q17       | 1Q17       | 4Q16       | 3Q16       | 2Q16       | 1Q16       | 4Q15       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Net interest income                                   | (81)       | (20)       | 5          | 20         | 1          | 19         | 3          | 6          | 3          |
| Net other operating income                            | 564        | 712        | 448        | 729        | 817        | 1 134      | 688        | 337        | 796        |
| Total income  | 483        | 691        | 454        | 749        | 818        | 1 153      | 690        | 343        | 799        |
| Operating expenses                                    | (158)      | (80)       | (135)      | (129)      | (159)      | (127)      | (131)      | (131)      | (97)       |
| Pre-tax operating profit before impairment            | 325        | 611        | 319        | 621        | 659        | 1 025      | 560        | 211        | 702        |
| Net gains on fixed and intangible assets              |            |            |            |            |            |            |            |            |            |
| Impairment losses on loans and guarantees             |            |            |            |            |            |            | (0)        | 0          |            |
| Pre-tax operating profit                              | 325        | 611        | 319        | 621        | 659        | 1 025      | 560        | 211        | 702        |
| Tax expense   | (75)       | (141)      | (73)       | (143)      | (165)      | (256)      | (140)      | (53)       | (183)      |
| <b>Profit for the period</b>                          | <b>250</b> | <b>470</b> | <b>246</b> | <b>478</b> | <b>494</b> | <b>769</b> | <b>420</b> | <b>159</b> | <b>520</b> |
| <b>Average balance sheet items in NOK billion:</b>    |            |            |            |            |            |            |            |            |            |
| Allocated capital <sup>1)</sup>                       | 6.1        | 6.1        | 7.2        | 8.0        | 7.2        | 7.2        | 7.4        | 7.2        | 7.3        |
| <b>Key figures in per cent:</b>                       |            |            |            |            |            |            |            |            |            |
| Cost/income ratio                                     | 32.7       | 11.6       | 29.7       | 17.2       | 19.5       | 11.0       | 18.9       | 38.3       | 12.1       |
| Return on allocated capital, annualised <sup>1)</sup> | 16.3       | 30.5       | 13.8       | 24.4       | 27.2       | 42.7       | 22.8       | 8.9        | 28.4       |

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                                  | 4Q17       | 3Q17       | 2Q17         | 1Q17         | 4Q16       | 3Q16         | 2Q16       | 1Q16         | 4Q15         |
|---|------------|------------|--------------|--------------|------------|--------------|------------|--------------|--------------|
| Net interest income                                     | 103        | 246        | 269          | 251          | (163)      | 62           | 157        | 98           | 24           |
| Net other operating income <sup>1) 2)</sup>             | 514        | (597)      | (433)        | (883)        | (87)       | (879)        | 432        | 1 365        | 624          |
| Total income  | 617        | (351)      | (164)        | (632)        | (250)      | (817)        | 588        | 1 463        | 648          |
| Operating expenses <sup>3)</sup>                        | (943)      | (307)      | (199)        | (43)         | (41)       | (96)         | (227)      | (74)         | 1 711        |
| Pre-tax operating profit before impairment              | (326)      | (658)      | (363)        | (674)        | (291)      | (913)        | 361        | 1 389        | 2 359        |
| Net gains on fixed and intangible assets <sup>4)</sup>  | (35)       | 754        |              | 0            | (8)        | 1            | (24)       | (13)         | (13)         |
| Impairment losses on loans and guarantees <sup>5)</sup> | (16)       | 1          | (7)          | 15           | (6)        | (1)          | 4          | 3            | 3            |
| Profit from repossessed operations <sup>6)</sup>        | 2          | (28)       | 21           | 10           | (47)       | 1            | 16         | 15           | (30)         |
| Pre-tax operating profit                                | (374)      | 68         | (350)        | (650)        | (352)      | (911)        | 358        | 1 394        | 2 319        |
| Tax expense <sup>1)</sup>                               | 1 229      | 158        | 195          | 292          | 1 143      | 388          | 164        | (204)        | (100)        |
| Profit from operations held for sale, after taxes       | (3)        | 33         | (14)         | (17)         | 26         | 1            | (10)       | (15)         | 29           |
| <b>Profit for the period</b>                            | <b>852</b> | <b>259</b> | <b>(169)</b> | <b>(375)</b> | <b>817</b> | <b>(523)</b> | <b>512</b> | <b>1 175</b> | <b>2 248</b> |

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) In the third quarter of 2017 NOK 754 million was recognised as Net gains on fixed and intangible assets and presented within the Other operations following the establishment of Vipps AS and the agreement DNB entered into with 105 other Norwegian banks. DNB will have an ownership interest in the new legal entity (Vipps AS) of close to 52 per cent. However, due to the terms and conditions in the shareholder agreement, it has been decided to define Vipps AS as an associated company. DNB can only vote for 49.9 per cent at the General Meeting, and has only three of seven board members. In the future, Vipps AS will be consolidated in DNB according to the equity method.

5) Including collective impairment.

6) 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                                | 4Q17       | 3Q17       | 2Q17       | 1Q17       | 4Q16       | 3Q16       | 2Q16       | 1Q16       | 4Q15       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Net interest income                                   |            |            |            |            |            |            |            |            |            |
| Net other operating income <sup>1)</sup>              | 457        | 373        | 536        | 355        | 280        | 280        | 315        | 339        | (522)      |
| Total income  | 457        | 373        | 536        | 355        | 280        | 280        | 315        | 339        | (522)      |
| Operating expenses                                    | (89)       | (96)       | (89)       | (95)       | (96)       | (92)       | (118)      | (129)      | (74)       |
| Pre-tax operating profit <sup>2)</sup>                | 368        | 277        | 447        | 259        | 184        | 188        | 197        | 210        | (596)      |
| Tax expense   | 98         | (45)       | (14)       | (30)       | 49         | (7)        | (31)       | (7)        | 705        |
| <b>Profit for the period</b>                          | <b>466</b> | <b>232</b> | <b>432</b> | <b>229</b> | <b>233</b> | <b>181</b> | <b>166</b> | <b>204</b> | <b>109</b> |
| <b>Average balance sheet items in NOK billion:</b>    |            |            |            |            |            |            |            |            |            |
| Loans to customers <sup>2)</sup>                      | 36.8       | 37.9       | 38.1       | 38.6       | 32.5       | 27.4       | 27.9       | 28.8       | 13.0       |
| Assets under management                               | 204.3      | 203.2      | 203.1      | 202.4      | 202.8      | 203.7      | 203.6      | 202.8      | 200.3      |
| Allocated capital <sup>3)</sup>                       | 21.6       | 21.2       | 20.7       | 20.4       | 19.9       | 19.6       | 19.4       | 18.6       | 18.2       |
| <b>Key figures in per cent:</b>                       |            |            |            |            |            |            |            |            |            |
| Cost/income ratio                                     | 19.5       | 25.8       | 16.6       | 26.9       | 34.3       | 32.9       | 37.5       | 38.1       | (14.3)     |
| Return on allocated capital, annualised <sup>3)</sup> | 8.6        | 4.3        | 8.4        | 4.6        | 4.7        | 3.7        | 3.4        | 4.4        | 2.4        |
| *) of which:  |            |            |            |            |            |            |            |            |            |
| Upfront pricing of risk and guaranteed rate of return | 25         | 33         | 34         | 38         | 56         | 68         | 81         | 83         | 137        |
| Owner's share of administration result                | 50         | 45         | 57         | 57         | 79         | 40         | 39         | 83         | 78         |
| Owner's share of risk result                          | 69         | 19         | 18         | 27         | 101        | 50         | (2)        | 29         | 82         |
| Owner's share of interest result <sup>1) 4)</sup>     | 20         | 116        | (11)       | 19         | (168)      | (66)       | (65)       | (67)       | (1 001)    |
| Return on corporate portfolio                         | 204        | 65         | 349        | 118        | 116        | 96         | 145        | 82         | 107        |

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. In the fourth quarter of 2017, portfolios of commercial mortgages amounting to approximately NOK 11.7 billion were sold from DNB Bank ASA to DNB Livsforsikring AS.

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 31 Dec. | 2017   | 4Q17  | 3Q17  | 2Q17  | 1Q17 | 4Q16  | 3Q16  | 2Q16  | 1Q16 |
|---|-----------------------------|--------|-------|-------|-------|------|-------|-------|-------|------|
|   |                             |        |       |       |       |      |       |       |       |      |
| Paid-up policies                                      |                             | 9 829  | (217) | (103) | (248) | (14) | (251) | (363) | (481) | (40) |
| Defined benefit                                       |                             | 1 386  | (22)  | (8)   | 6     | (14) | (182) | (40)  | (69)  | (27) |
| Total group pension <sup>1) *) **)</sup>              |                             | 11 215 | (239) | (111) | (242) | (28) | (433) | (403) | (550) | (67) |
| *) Of which attributable to the owner                 |                             | 2 360  | (50)  | (23)  | (54)  | (6)  | (281) | (152) | (149) | (67) |
| ***) Of which transferred from risk equalisation fund |                             |        | (10)  |       |       |      |       |       |       |      |

1) In consequence of higher life expectancy, it has been necessary to strengthen the premium reserve for group pension insurance. DNB Livsforsikring started to strengthen its reserves in 2012. At year-end 2017, the required increase in reserves due to new life expectancy assumptions were fully financed. DNB Livsforsikring has strengthened premium reserves by a total of NOK 12.9 billion, of which 20 per cent has been financed by the company's equity and 80 per cent by the policyholders' interest result. Reserves for higher life expectancy were increased by NOK 0.6 billion in 2017. The completion of the financing of reserves for higher life expectancy will increase the company's flexibility to build buffer capital and continue to provide DNB with a healthy level of profits. The table shows reserves excluding public sectors operations, which were wound up in 2016.

## 2.8.1 Total DNB Markets activity - Financial performance

| <i>Amounts in NOK million</i>                         | 4Q17       | 3Q17       | 2Q17       | 1Q17       | 4Q16         | 3Q16         | 2Q16       | 1Q16       | 4Q15       |
|---|------------|------------|------------|------------|--------------|--------------|------------|------------|------------|
| Net interest income                                   | (34)       | 22         | 54         | 63         | 41           | 51           | 31         | 34         | 40         |
| Net fees and commissions                              | 570        | 458        | 550        | 517        | 691          | 338          | 470        | 338        | 390        |
| Net financial items                                   | 1 200      | 1 264      | 1 035      | 1 315      | 1 418        | 1 729        | 1 366      | 925        | 1 447      |
| Total income  | 1 735      | 1 744      | 1 639      | 1 894      | 2 149        | 2 119        | 1 867      | 1 298      | 1 877      |
| Operating expenses                                    | (789)      | (660)      | (745)      | (737)      | (734)        | (663)        | (693)      | (662)      | (680)      |
| Pre-tax operating profit before impairment            | 946        | 1 084      | 894        | 1 158      | 1 416        | 1 456        | 1 175      | 635        | 1 197      |
| Net gains on fixed and intangible assets              |            |            |            |            |              |              |            |            | (1)        |
| Impairment losses on loans and guarantees             |            |            |            |            |              | (0)          | (0)        | 0          |            |
| Pre-tax operating profit                              | 946        | 1 084      | 894        | 1 158      | 1 416        | 1 456        | 1 175      | 635        | 1 196      |
| Tax expense   | (218)      | (249)      | (206)      | (266)      | (354)        | (364)        | (294)      | (159)      | (311)      |
| <b>Profit for the period</b>                          | <b>728</b> | <b>835</b> | <b>689</b> | <b>891</b> | <b>1 062</b> | <b>1 092</b> | <b>881</b> | <b>477</b> | <b>885</b> |
| <b>Average balance sheet items in NOK billion:</b>    |            |            |            |            |              |              |            |            |            |
| Allocated capital <sup>1)</sup>                       | 12.2       | 13.0       | 14.0       | 15.2       | 15.3         | 16.1         | 15.5       | 15.5       | 16.0       |
| <b>Key figures in per cent:</b>                       |            |            |            |            |              |              |            |            |            |
| Cost/income ratio                                     | 45.5       | 37.9       | 45.4       | 38.9       | 34.1         | 31.3         | 37.1       | 51.0       | 36.2       |
| Return on allocated capital, annualised <sup>1)</sup> | 23.6       | 25.5       | 19.8       | 23.8       | 27.5         | 27.0         | 22.9       | 12.4       | 22.0       |

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>                           | 4Q17  | 3Q17  | 2Q17  | 1Q17  | 4Q16  | 3Q16  | 2Q16  | 1Q16  | 4Q15  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| FX, interest rate and commodity derivatives             | 487   | 488   | 486   | 488   | 555   | 523   | 586   | 509   | 547   |
| Investment products                                     | 129   | 105   | 124   | 171   | 155   | 99    | 152   | 130   | 148   |
| Corporate finance                                       | 537   | 352   | 439   | 388   | 523   | 247   | 340   | 229   | 290   |
| Securities services                                     | 94    | 102   | 128   | 88    | 87    | 85    | 90    | 76    | 75    |
| Interest income on allocated capital, customer activity | 5     | 7     | 8     | 11    | 12    | 11    | 10    | 12    | 18    |
| Total customer revenues                                 | 1 252 | 1 053 | 1 186 | 1 145 | 1 331 | 966   | 1 177 | 955   | 1 077 |
| Net income international bond portfolio                 | 53    | 197   | 187   | 295   | 93    | 404   | 186   | 17    | (14)  |
| Other market making/trading revenues                    | 425   | 488   | 258   | 443   | 715   | 739   | 496   | 315   | 799   |
| Interest income on allocated capital, trading           | 5     | 6     | 9     | 12    | 11    | 9     | 9     | 10    | 15    |
| Total trading revenues                                  | 483   | 691   | 454   | 749   | 818   | 1 153 | 691   | 343   | 799   |
| Total income  | 1 735 | 1 744 | 1 639 | 1 894 | 2 149 | 2 119 | 1 867 | 1 298 | 1 877 |

## 2.8.3 Total DNB Markets activity - Value-at-Risk

| <i>Amounts in NOK thousand</i>        | 31 Dec.<br>2017 | Fourth quarter 2017 |         |         |
|---------------------------------------|-----------------|---------------------|---------|---------|
|                                       | Actual          | Average             | Maximum | Minimum |
| Currency risk                         | 4 930           | 6 717               | 11 180  | 1 140   |
| Interest rate risk                    | 14 880          | 15 199              | 19 199  | 9 840   |
| Equities                              | 6 517           | 5 913               | 10 207  | 2 380   |
| Diversification effects <sup>1)</sup> | (4 700)         | (5 102)             |         |         |
| <b>Total</b>                          | <b>21 627</b>   | <b>22 727</b>       |         |         |

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   | 4Q17       | 3Q17       | 2Q17       | 1Q17       | 4Q16       | 3Q16       | 2Q16       | 1Q16       | 4Q15         |
|--|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| Value-adjusted financial result <sup>1)</sup>  | 1 944      | 2 215      | 2 429      | 2 467      | 1 874      | 2 361      | 2 002      | 1 736      | 4 127        |
| Guaranteed return on policyholders' funds  | (1 513)    | (1 496)    | (1 512)    | (1 481)    | (1 480)    | (1 520)    | (1 528)    | (1 517)    | (1 500)      |
| Financial result after guaranteed returns  | 430        | 719        | 917        | 986        | 395        | 842        | 474        | 219        | 2 628        |
| + From market value adjustment reserve   | (492)      | 630        | (298)      | (545)      | 241        | (178)      | 724        | (780)      | 90           |
| Recorded interest result before the application of/(transfers to) additional allocations | (62)       | 1 349      | 619        | 442        | 636        | 664        | 1 198      | (561)      | 2 717        |
| Application of/(transfers to) additional allocations                                     | (1 010)    |            | (38)       | 38         | (753)      | (27)       | (539)      | 566        | (863)        |
| Recorded interest result   | (1 072)    | 1 349      | 581        | 480        | (117)      | 637        | 659        | 5          | 1 854        |
| Risk result  | 117        | 79         | 34         | 78         | 179        | 66         | 142        | 61         | 166          |
| Administration result  | 70         | 67         | 77         | 82         | 76         | 62         | 83         | 105        | 99           |
| Upfront pricing of risk and guaranteed rate of return                                    | 25         | 33         | 34         | 38         | 56         | 68         | 81         | 83         | 137          |
| Provisions for higher life expectancy, group pension <sup>2)</sup>                       | (239)      | (111)      | (242)      | (28)       | (433)      | (403)      | (544)      | (72)       | (2 505)      |
| Allocations to policyholders, products with guaranteed rates of return <sup>2)</sup>     | 1 263      | (1 205)    | (386)      | (507)      | 307        | (338)      | (370)      | (55)       | (455)        |
| Return on corporate portfolio  | 204        | 65         | 349        | 118        | 116        | 96         | 145        | 82         | 107          |
| <b>I Pre-tax operating profit - traditional pension products</b>                         | <b>368</b> | <b>277</b> | <b>447</b> | <b>259</b> | <b>184</b> | <b>188</b> | <b>197</b> | <b>210</b> | <b>(596)</b> |
| Recorded interest result   | (36)       | 328        | 75         | 111        | (160)      | 149        | 105        | 16         | 60           |
| Risk result  | (24)       | 88         | 33         | 22         | 68         | 17         | 69         | 11         | 53           |
| Administration result  | 71         | 50         | 50         | 42         | 42         | 44         | 21         | 35         | 52           |
| Upfront pricing of risk and guaranteed rate of return                                    | 27         | 26         | 27         | 28         | 31         | 32         | 32         | 31         | 32           |
| Allocations to policyholders, products with guaranteed rates of return                   | 14         | (308)      | (54)       | (90)       | 184        | (128)      | (91)       | (3)        | (28)         |
| Interest on allocated capital  | 16         | 8          | 29         | 13         | 10         | 8          | 13         | 7          | 10           |
| <b>II Pre-tax operating profit - new pension products</b>                                | <b>69</b>  | <b>193</b> | <b>161</b> | <b>125</b> | <b>175</b> | <b>122</b> | <b>149</b> | <b>97</b>  | <b>178</b>   |
| Recorded interest result   | 5          | 4          | 5          | 5          | 6          | 4          | 4          | 3          | 7            |
| Risk result  | 4          | 20         | 16         | 23         | 43         | 26         | 24         | 31         | 9            |
| Administration result  | 4          | (1)        | 1          | (1)        | (0)        | (2)        | (5)        | (2)        | 3            |
| Interest on allocated capital  | 1          | 0          | 2          | 1          | 1          | 2          | (0)        | 0          | 0            |
| <b>III Pre-tax operating profit - risk products</b>                                      | <b>13</b>  | <b>24</b>  | <b>23</b>  | <b>28</b>  | <b>48</b>  | <b>30</b>  | <b>23</b>  | <b>32</b>  | <b>21</b>    |
| Pre-tax operating profit (I + II + III)  | 450        | 494        | 631        | 413        | 408        | 339        | 369        | 339        | (398)        |
| Tax expense  | 96         | (97)       | (51)       | (65)       | 3          | (40)       | (72)       | (34)       | 735          |
| <b>Profit</b>  | <b>546</b> | <b>397</b> | <b>580</b> | <b>348</b> | <b>410</b> | <b>299</b> | <b>296</b> | <b>305</b> | <b>337</b>   |

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. At year-end 2017, the required increase in reserves due to new life expectancy assumptions were fully financed.

## 2.8.4 DNB Livsforsikring Group - Financial performance (continued)

### Full year figures

Amounts in NOK million

|  | 2017         | 2016         | 2015         | 2014         | 2013         |
|--|--------------|--------------|--------------|--------------|--------------|
| Value-adjusted financial result <sup>1)</sup>  | 9 055        | 7 973        | 8 749        | 10 826       | 10 458       |
| Guaranteed return on policyholders' funds  | (6 002)      | (6 044)      | (6 268)      | (6 710)      | (6 885)      |
| Financial result after guaranteed returns  | 3 053        | 1 929        | 2 481        | 4 116        | 3 573        |
| + From market value adjustment reserve   | (705)        | 8            | 537          | (235)        | (1 497)      |
| Recorded interest result before the application of/(transfers to) additional allocations | 2 348        | 1 937        | 3 018        | 3 882        | 2 077        |
| Application of/(transfers to) additional allocations                                     | (1 010)      | (753)        | (855)        | (844)        | (10)         |
| Recorded interest result   | 1 338        | 1 185        | 2 163        | 3 038        | 2 066        |
| Risk result  | 308          | 448          | 599          | 468          | 321          |
| Administration result  | 295          | 327          | 291          | 228          | 124          |
| Upfront pricing of risk and guaranteed rate of return                                    | 130          | 288          | 535          | 647          | 682          |
| Provisions for higher life expectancy, group pension                                     | (621)        | (1 452)      | (3 141)      | (2 909)      | (1 798)      |
| Allocations to policyholders, products with guaranteed rates of return                   | (834)        | (455)        | (802)        | (913)        | (355)        |
| Return on corporate portfolio  | 736          | 439          | 500          | 652          | 559          |
| <b>I Pre-tax operating profit - traditional pension products</b>                         | <b>1 351</b> | <b>779</b>   | <b>145</b>   | <b>1 212</b> | <b>1 599</b> |
| Recorded interest result   | 478          | 110          | 303          | 568          | 332          |
| Risk result  | 120          | 165          | 148          | 186          | 80           |
| Administration result  | 214          | 141          | 167          | 123          | 107          |
| Upfront pricing of risk and guaranteed rate of return                                    | 108          | 126          | 123          | 104          | 106          |
| Transferred from/(to) security reserve   | -            | -            | -            | (16)         | 4            |
| Allocations to policyholders, products with guaranteed rates of return                   | (438)        | (38)         | (207)        | (442)        | (231)        |
| Interest on allocated capital  | 67           | 38           | 45           | 52           | 36           |
| <b>II Pre-tax operating profit - new pension products</b>                                | <b>548</b>   | <b>543</b>   | <b>579</b>   | <b>575</b>   | <b>435</b>   |
| Recorded interest result   | 18           | 16           | 26           | 31           | 31           |
| Risk result  | 63           | 123          | 114          | 51           | 51           |
| Administration result  | 3            | (9)          | (23)         | (27)         | 5            |
| Transferred from/(to) security reserve   | -            | -            | -            | (2)          | 10           |
| Allocations to policyholders, products with guaranteed rates of return                   | -            | -            | -            | -            | (2)          |
| Interest on allocated capital  | 4            | 2            | 3            | 4            | 3            |
| <b>III Pre-tax operating profit - risk products</b>                                      | <b>88</b>    | <b>133</b>   | <b>119</b>   | <b>57</b>    | <b>98</b>    |
| Pre-tax operating profit (I + II + III)  | 1 987        | 1 455        | 843          | 1 844        | 2 132        |
| Tax expense  | (116)        | (144)        | 692          | (252)        | (256)        |
| <b>Profit</b>  | <b>1 870</b> | <b>1 311</b> | <b>1 535</b> | <b>1 592</b> | <b>1 876</b> |

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  | 4Q17       | 3Q17       | 2Q17       | 1Q17       | 4Q16       | 3Q16       | 2Q16       | 1Q16       | 4Q15         |
|---|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b><u>DNB Group:</u></b>  |            |            |            |            |            |            |            |            |              |
| Net financial result, DNB Livsforsikring  | 156        | 133        | 361        | 97         | (83)       | 29         | (80)       | (11)       | (951)        |
| Net risk result, DNB Livsforsikring   | 98         | 187        | 83         | 123        | 290        | 109        | 234        | 103        | 228          |
| <b>Net financial and risk result in DNB Livsforsikring Group</b>                              | <b>254</b> | <b>320</b> | <b>444</b> | <b>220</b> | <b>206</b> | <b>138</b> | <b>155</b> | <b>92</b>  | <b>(723)</b> |
| Eliminations in the group accounts  | 12         | 14         | 10         | 20         | 26         | 15         | 12         | 20         | 42           |
| Net financial and risk result from DNB Livsforsikring Group                                   | 266        | 306        | 454        | 240        | 232        | 154        | 166        | 112        | (681)        |
| <b><u>DNB Livsforsikring Group:</u></b>   |            |            |            |            |            |            |            |            |              |
| Recorded interest result  | (1 103)    | 1 681      | 660        | 595        | (272)      | 790        | 769        | 24         | 1 921        |
| Return on corporate portfolio   | 221        | 73         | 380        | 133        | 127        | 106        | 158        | 89         | 117          |
| - Administration result - corporate portfolio   | (1)        | (2)        | (3)        | 5          | (4)        | (4)        | 7          | 4          | 5            |
| Provisions for higher life expectancy, group pension  | (239)      | (111)      | (242)      | (28)       | (433)      | (403)      | (544)      | (72)       | (2 505)      |
| Allocations to policyholders, products with guaranteed rates of return                        | 1 277      | (1 512)    | (440)      | (597)      | 491        | (466)      | (460)      | (58)       | (483)        |
| Risk result   | 98         | 187        | 83         | 123        | 290        | 109        | 234        | 103        | 228          |
| - Costs from subsidiaries which are fully consolidated in DNB Livsforsikring Group's accounts | -          | -          | -          | -          | -          | -          | (5)        | (9)        | (3)          |
| <b>Net financial and risk result in DNB Livsforsikring Group</b>                              | <b>254</b> | <b>320</b> | <b>444</b> | <b>220</b> | <b>206</b> | <b>138</b> | <b>155</b> | <b>92</b>  | <b>(723)</b> |
| Eliminations in the group accounts  | 12         | 14         | 10         | 20         | 26         | 15         | 12         | 20         | 42           |
| Net financial and risk result from DNB Livsforsikring Group                                   | 266        | 306        | 454        | 240        | 232        | 154        | 166        | 112        | (681)        |
| <b><u>DNB Group:</u></b>  |            |            |            |            |            |            |            |            |              |
| Commission and fee income etc. <sup>*)</sup>  | 496        | 491        | 502        | 511        | 522        | 510        | 572        | 600        | 606          |
| Commission and fee expenses etc. <sup>**)</sup>   | (94)       | (89)       | (92)       | (86)       | (87)       | (91)       | (108)      | (84)       | (99)         |
| Other income  | 8          | 3          | 6          | 16         | 5          | 1          | 13         | 7          | 5            |
| Operating expenses  | (215)      | (233)      | (229)      | (247)      | (240)      | (220)      | (262)      | (277)      | (187)        |
| <b>Administration result including upfront pricing of risk and guaranteed rate of return</b>  | <b>196</b> | <b>173</b> | <b>187</b> | <b>193</b> | <b>201</b> | <b>200</b> | <b>215</b> | <b>247</b> | <b>325</b>   |
| <b><u>DNB Livsforsikring Group:</u></b>   |            |            |            |            |            |            |            |            |              |
| Upfront pricing of risk and guaranteed rate of return   | 52         | 59         | 61         | 66         | 87         | 101        | 112        | 114        | 169          |
| Administration result   | 145        | 117        | 128        | 122        | 118        | 104        | 100        | 138        | 155          |
| + Administration result - corporate portfolio   | (1)        | (2)        | (3)        | 5          | (4)        | (4)        | 7          | 4          | 5            |
| + Costs from subsidiaries which are fully consolidated in DNB Livsforsikring Group's accounts | -          | -          | -          | -          | -          | -          | (5)        | (9)        | (3)          |
| <b>Administration result including upfront pricing of risk and guaranteed rate of return</b>  | <b>196</b> | <b>173</b> | <b>187</b> | <b>193</b> | <b>201</b> | <b>201</b> | <b>215</b> | <b>247</b> | <b>325</b>   |



## 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                                      | 4Q17 | 3Q17 | 2Q17 | 1Q17 | 4Q16 | 3Q16 | 2Q16 | 1Q16 | 4Q15 |
|---|------|------|------|------|------|------|------|------|------|
| <b>New pension products</b>                                 |      |      |      |      |      |      |      |      |      |
| - administration income                                     | 219  | 207  | 210  | 207  | 205  | 193  | 191  | 193  | 187  |
| - upfront pricing   | 27   | 26   | 27   | 28   | 31   | 32   | 32   | 31   | 32   |
| <b>Risk products</b>  |      |      |      |      |      |      |      |      |      |
| - administration income                                     | 32   | 30   | 30   | 30   | 29   | 28   | 36   | 33   | 32   |
| <b>Traditional pension products</b>                         |      |      |      |      |      |      |      |      |      |
| Defined benefit:  |      |      |      |      |      |      |      |      |      |
| - administration income                                     | 49   | 47   | 49   | 67   | 60   | 43   | 87   | 102  | 74   |
| - upfront pricing   | 25   | 33   | 34   | 38   | 57   | 68   | 77   | 81   | 135  |
| Paid-up policies:   |      |      |      |      |      |      |      |      |      |
| - administration income                                     | 85   | 82   | 84   | 76   | 79   | 76   | 61   | 69   | 66   |
| Previously established individual products:                 |      |      |      |      |      |      |      |      |      |
| - administration income                                     | 59   | 65   | 67   | 65   | 63   | 69   | 70   | 72   | 68   |
| Public market:  |      |      |      |      |      |      |      |      |      |
| - administration income                                     | -    | -    | -    | -    | (2)  | -    | 9    | 7    | 6    |
| - upfront pricing   | -    | -    | -    | -    | (1)  | -    | 3    | 3    | 2    |
| Commissions and fee income etc. excl. DNB Pensjonstjenester | 496  | 491  | 502  | 511  | 522  | 510  | 567  | 591  | 603  |
| Income DNB Pensjonstjenester <sup>1)</sup>                  |      |      |      |      |      |      | 5    | 9    | 3    |
| Total commissions and fee income etc.                       | 496  | 491  | 502  | 511  | 522  | 510  | 572  | 600  | 606  |

### \*\*\*) Details on commissions and fee expenses etc. for product groups

| Amounts in NOK million                     | 4Q17 | 3Q17 | 2Q17 | 1Q17 | 4Q16 | 3Q16 | 2Q16  | 1Q16 | 4Q15  |
|--|------|------|------|------|------|------|-------|------|-------|
| New pension products                       | (46) | (43) | (45) | (43) | (43) | (44) | (48)  | (40) | (42)  |
| Risk products                              | (10) | (8)  | (9)  | (8)  | (8)  | (8)  | (19)  | (8)  | (10)  |
| Traditional pension products               |      |      |      |      |      |      |       |      |       |
| Defined benefit                            | (5)  | (5)  | (4)  | (5)  | (9)  | (10) | (8)   | (10) | (11)  |
| Paid-up policies                           | (20) | (19) | (20) | (17) | (14) | (16) | (18)  | (11) | (12)  |
| Previously established individual products | (9)  | (9)  | (9)  | (9)  | (10) | (10) | (11)  | (10) | (20)  |
| Public market                              | -    | -    | -    | -    | (0)  | -    | 1     | (1)  | (1)   |
| Corporate portfolio                        | (4)  | (5)  | (4)  | (4)  | (2)  | (4)  | (4)   | (3)  | (4)   |
| Total commission and fee expenses etc.     | (94) | (89) | (92) | (86) | (87) | (91) | (108) | (84) | (100) |

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

## 2.8.6 DNB Livsforsikring Group - Value-adjusted return on assets

| Per cent  | 4Q17        | 3Q17        | 2Q17        | 1Q17        | 4Q16        | 3Q16        | 2Q16        | 1Q16        | 4Q15        |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Return - common portfolio <sup>1)</sup></b>              |             |             |             |             |             |             |             |             |             |
| Financial assets  |             |             |             |             |             |             |             |             |             |
| Norwegian equities  | 3.30        | 10.88       | 0.92        | 0.56        | 9.66        | 5.03        | 4.10        | (3.59)      | 6.01        |
| International equities <sup>2)</sup>                        | 5.80        | 4.24        | 3.02        | 5.49        | 3.00        | 5.60        | 1.21        | (1.17)      | 5.73        |
| Norwegian bonds   | 0.32        | 0.75        | 0.67        | 1.23        | (0.36)      | 0.04        | 0.93        | 1.91        | 0.35        |
| International bonds   | 1.02        | 0.97        | 1.44        | 0.69        | (1.14)      | 1.92        | 1.96        | 2.95        | 0.74        |
| Money market instruments                                    | 0.26        | 0.35        | 0.39        | 0.56        | 0.32        | 0.46        | 0.44        | 0.61        | 0.37        |
| Bonds held to maturity                                      | 1.34        | 0.74        | 1.24        | 1.10        | 1.00        | 1.16        | 1.12        | 1.12        | 1.20        |
| Investment properties                                       | 1.74        | 1.89        | 2.47        | 2.40        | 3.30        | 1.90        | 1.50        | 1.30        | 6.70        |
| <b>Value-adjusted return on assets I <sup>3)</sup></b>      | <b>1.04</b> | <b>1.18</b> | <b>1.29</b> | <b>1.32</b> | <b>0.99</b> | <b>1.26</b> | <b>1.04</b> | <b>0.91</b> | <b>2.19</b> |
| Recorded return on assets <sup>4) *)</sup>                  | 0.76        | 1.59        | 1.12        | 1.03        | 1.12        | 1.18        | 1.41        | 0.49        | 2.27        |
| Value-adjusted return on assets I, annualised <sup>3)</sup> | 4.24        | 4.84        | 5.29        | 5.42        | 4.05        | 5.16        | 4.27        | 3.72        | 9.18        |
| <b>Return - corporate portfolio</b>                         |             |             |             |             |             |             |             |             |             |
| Value-adjusted return on assets I <sup>3)</sup>             | 0.73        | 0.39        | 1.42        | 0.58        | 0.60        | 0.53        | 0.70        | 0.54        | 0.52        |

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

|  |      |      |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|------|------|
| Previously established individual products         | 0.70 | 2.05 | 1.01 | 1.17 | 1.22 | 1.41 | 1.34 | 0.31 | 2.54 |
| Paid-up policies, build-up of reserves completed   | 0.60 | 1.45 | 0.82 | 1.11 | 1.05 | 1.01 | 1.45 | 0.49 | 1.65 |
| Paid-up policies, build-up of reserves in progress | 1.27 | 1.22 | 2.07 | 0.77 | 1.22 | 1.21 | 1.54 | 0.58 | 2.47 |
| Common portfolio                                   | 0.69 | 1.69 | 0.94 | 1.05 |      |      |      |      |      |
| - with low risk                                    |      |      | -    | -    | 0.92 | 0.89 | 1.36 | 0.38 | 2.11 |
| - with moderate risk                               |      |      | -    | -    | 1.08 | 1.10 | 1.43 | 0.62 | 2.15 |
| Guaranteed products for retail customers           | 0.48 | 2.46 | 0.77 | 0.95 | 0.89 | 1.19 | 1.12 | 0.30 | 2.35 |
| Risk products - defined contribution               | 0.46 | 1.04 | 0.70 | 0.91 | 0.67 | 0.99 | 0.96 | 0.63 | 1.74 |
| Risk products                                      | 0.70 | 0.73 | 0.74 | 0.74 | 0.77 | 0.69 | 0.60 | 0.41 | 0.98 |
| Public market                                      | -    | -    | -    | -    | -    | -    | 0.85 | 0.84 | 2.06 |
| Recorded return on assets                          | 0.76 | 1.59 | 1.12 | 1.03 | 1.12 | 1.18 | 1.41 | 0.49 | 2.27 |

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 31 December 2017

| Amounts in NOK million                             | Equities, Norwegian | Equities, international <sup>1)</sup> | Bonds, Norwegian | Bonds, international | Money market instruments | Bonds held to maturity | Loans and receivables | Real estate   | Other        | Total          |
|--|---------------------|---------------------------------------|------------------|----------------------|--------------------------|------------------------|-----------------------|---------------|--------------|----------------|
| Common portfolio                                   | 423                 | 2 262                                 | 2 613            | 730                  | 3 401                    | 6 556                  | 6 796                 | 2 214         | 215          | 25 211         |
| Guaranteed products for retail customers           | 320                 | 1 813                                 | 2 001            | 778                  | 1 067                    | 4 218                  | 2 710                 | 1 646         | 25           | 14 577         |
| Paid-up policies, build-up of reserves completed   | 627                 | 5 829                                 | 9 206            | 2 570                | 14 819                   | 34 170                 | 15 652                | 5 181         | 759          | 88 812         |
| Paid-up policies, build-up of reserves in progress | 289                 | 2 451                                 | 3 625            | 995                  | 6 982                    | 16 004                 | 6 712                 | 6 010         | 92           | 43 160         |
| Risk products - defined contribution               | 24                  | 168                                   | 240              | 123                  | 701                      | 600                    | 367                   | 160           | 2            | 2 387          |
| Risk products                                      |                     |                                       |                  |                      | 855                      | 788                    | 386                   | 69            | 1            | 2 099          |
| Previously established individual products         | 515                 | 3 332                                 | 4 526            | 1 787                | 1 862                    | 11 584                 | 4 107                 | 4 964         | 76           | 32 752         |
| Total common portfolio                             | 2 197               | 15 855                                | 22 211           | 6 983                | 29 688                   | 73 921                 | 36 730                | 20 244        | 1 171        | 208 998        |
| Corporate portfolio                                | 1 243               | 3                                     |                  |                      | 25 886                   | 1 839                  | 1 843                 | 7             | 869          | 31 690         |
| <b>Total</b>                                       | <b>3 440</b>        | <b>15 859</b>                         | <b>22 211</b>    | <b>6 983</b>         | <b>55 574</b>            | <b>75 759</b>          | <b>38 572</b>         | <b>20 251</b> | <b>2 040</b> | <b>240 688</b> |

## 2.8.8 DNB Livsforsikring Group - Financial exposure - common portfolio

| Amounts in NOK million                   | 31 Dec. 2017   | 30 Sept. 2017  | 30 June 2017   | 31 March 2017  | 31 Dec. 2016   | 30 Sept. 2016  | 30 June 2016   | 31 March 2016  | 31 Dec. 2015   |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Equities, Norwegian <sup>2)</sup>        | 2 197          | 2 133          | 2 263          | 2 590          | 1 228          | 1 121          | 1 834          | 1 766          | 987            |
| Equities, international <sup>1) 2)</sup> | 15 855         | 16 992         | 18 076         | 19 449         | 13 463         | 13 281         | 17 766         | 17 669         | 18 229         |
| Bonds, Norwegian                         | 22 211         | 22 302         | 22 217         | 21 733         | 21 684         | 21 769         | 21 666         | 21 521         | 15 615         |
| Bonds, international                     | 6 983          | 6 919          | 7 309          | 7 173          | 7 131          | 7 283          | 7 148          | 7 164          | 4 267          |
| Money market instruments                 | 29 688         | 29 483         | 25 246         | 22 803         | 28 802         | 39 761         | 33 439         | 35 261         | 40 268         |
| Bonds held to maturity                   | 73 921         | 75 812         | 77 173         | 80 058         | 79 537         | 81 159         | 84 268         | 82 141         | 84 494         |
| Loans and receivables <sup>3)</sup>      | 36 730         | 33 828         | 35 298         | 34 192         | 35 423         | 23 628         | 21 593         | 23 923         | 24 377         |
| Real estate                              | 20 244         | 19 943         | 19 923         | 19 593         | 19 575         | 19 318         | 20 459         | 18 993         | 20 199         |
| Other                                    | 1 171          | 2 030          | 2 017          | 2 048          | 1 438          | 1 001          | 2 344          | 1 296          | 555            |
| <b>Total</b>                             | <b>208 998</b> | <b>209 442</b> | <b>209 522</b> | <b>209 638</b> | <b>208 282</b> | <b>208 321</b> | <b>210 517</b> | <b>209 734</b> | <b>208 993</b> |

### Per cent

|  |              |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Equities, Norwegian <sup>2)</sup>        | 1.1          | 1.0          | 1.1          | 1.2          | 0.6          | 0.5          | 0.9          | 0.8          | 0.5          |
| Equities, international <sup>1) 2)</sup> | 7.6          | 8.1          | 8.6          | 9.3          | 6.5          | 6.4          | 8.4          | 8.4          | 8.7          |
| Bonds, Norwegian                         | 10.6         | 10.6         | 10.6         | 10.4         | 10.4         | 10.4         | 10.3         | 10.3         | 7.5          |
| Bonds, international                     | 3.3          | 3.3          | 3.5          | 3.4          | 3.4          | 3.5          | 3.4          | 3.4          | 2.0          |
| Money market instruments                 | 14.2         | 14.1         | 12.0         | 10.9         | 13.8         | 19.1         | 15.9         | 16.8         | 19.3         |
| Bonds held to maturity                   | 35.4         | 36.2         | 36.8         | 38.2         | 38.2         | 39.0         | 40.0         | 39.2         | 40.4         |
| Loans and receivables                    | 17.6         | 16.2         | 16.8         | 16.3         | 17.0         | 11.3         | 10.3         | 11.4         | 11.7         |
| Real estate                              | 9.7          | 9.5          | 9.5          | 9.3          | 9.4          | 9.3          | 9.7          | 9.1          | 9.7          |
| Other                                    | 0.6          | 1.0          | 1.0          | 1.0          | 0.7          | 0.5          | 1.1          | 0.6          | 0.3          |
| <b>Total</b>                             | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

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. In the fourth quarter of 2017, portfolios of commercial mortgages amounting to approximately NOK 11.7 billion were sold from DNB Bank ASA to DNB Livsforsikring AS.

The figures represent net exposure after derivative contracts.

## 2.8.9 DNB Livsforsikring Group - Balance sheets

|   | 31 Dec.<br>2017 | 30 Sept<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|-----------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK million</i>                     |                 |                 |                 |                  |                 |                  |                 |                  |                 |
| Due from credit institutions                      | 4 238           | 3 383           | 4 112           | 4 193            | 3 549           | 3 055            | 6 828           | 3 979            | 8 938           |
| Loans to customers <sup>1)</sup>                  | 39 902          | 37 128          | 38 646          | 38 371           | 38 909          | 27 224           | 27 716          | 28 522           | 28 475          |
| Commercial paper and bonds                        | 79 827          | 82 656          | 77 836          | 74 440           | 76 920          | 87 984           | 79 760          | 80 930           | 80 896          |
| Shareholdings                                     | 20 304          | 19 332          | 20 154          | 20 894           | 15 992          | 15 600           | 19 966          | 19 996           | 10 552          |
| Financial assets, customers bearing the risk      | 75 206          | 70 690          | 67 680          | 64 688           | 60 220          | 56 417           | 52 893          | 50 967           | 49 679          |
| Financial derivatives                             | 53              | 204             | 212             | 271              | 334             | 722              | 354             | 659              | 400             |
| Commercial paper and bonds, held to maturity      | 75 798          | 77 555          | 79 116          | 81 932           | 82 664          | 84 203           | 85 413          | 85 244           | 87 599          |
| Investment properties                             | 16 106          | 15 816          | 15 923          | 15 674           | 15 565          | 15 097           | 15 196          | 14 087           | 15 195          |
| Investments in associated companies               | 4 433           | 4 312           | 4 242           | 4 269            | 4 198           | 4 305            | 4 280           | 5 493            | 5 434           |
| Intangible assets                                 | 31              | 36              | 43              | 50               | 57              | 70               | 78              | 87               | 98              |
| Deferred tax assets                               |                 |                 |                 |                  |                 |                  |                 |                  |                 |
| Fixed assets                                      | 2               | 3               | 3               | 4                | 4               | 5                | 5               | 5                | 5               |
| Other assets                                      | 980             | 923             | 923             | 898              | 991             | 1 175            | 1 385           | 1 242            | 779             |
| <b>Total assets</b>                               | <b>316 880</b>  | <b>312 035</b>  | <b>308 890</b>  | <b>305 684</b>   | <b>299 403</b>  | <b>295 857</b>   | <b>293 875</b>  | <b>291 212</b>   | <b>288 051</b>  |
| Financial derivatives                             | 322             | 206             | 294             | 210              | 255             | 223              | 305             | 288              | 694             |
| Insurance liabilities, customers bearing the risk | 75 206          | 70 690          | 67 680          | 64 688           | 60 220          | 56 417           | 52 893          | 50 967           | 49 679          |
| Liabilities to life insurance policyholders       | 208 500         | 208 844         | 209 230         | 209 354          | 208 160         | 210 425          | 210 027         | 210 230          | 208 726         |
| Payable taxes                                     | 9               | 11              | 9               | 3                | 5               | 54               | 2               | 0                | 27              |
| Deferred taxes                                    | 1 527           | 1 592           | 1 502           | 1 456            | 1 382           | 1 357            | 1 381           | 855              | 764             |
| Other liabilities                                 | 1 696           | 1 624           | 1 503           | 1 883            | 1 649           | 47               | 2 240           | 2 135            | 1 735           |
| Pension commitments                               | 184             | 183             | 180             | 178              | 170             | 198              | 173             | 173              | 173             |
| Subordinated loan capital                         | 5 505           | 5 504           | 5 504           | 5 505            | 5 505           | 5 505            | 5 505           | 5 511            | 5 505           |
| <b>Total liabilities</b>                          | <b>292 949</b>  | <b>288 654</b>  | <b>285 905</b>  | <b>283 279</b>   | <b>277 347</b>  | <b>274 226</b>   | <b>272 526</b>  | <b>270 159</b>   | <b>267 304</b>  |
| 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                                      | 16 165          | 15 615          | 15 219          | 14 639           | 14 291          | 13 865           | 13 584          | 13 286           | 12 981          |
| <b>Total equity</b>                               | <b>23 931</b>   | <b>23 381</b>   | <b>22 985</b>   | <b>22 405</b>    | <b>22 057</b>   | <b>21 631</b>    | <b>21 349</b>   | <b>21 052</b>    | <b>20 747</b>   |
| <b>Total liabilities and equity</b>               | <b>316 880</b>  | <b>312 035</b>  | <b>308 890</b>  | <b>305 684</b>   | <b>299 403</b>  | <b>295 857</b>   | <b>293 875</b>  | <b>291 212</b>   | <b>288 051</b>  |
| <u>Insurance liabilities sub-portfolio:</u>       |                 |                 |                 |                  |                 |                  |                 |                  |                 |
| New pension products                              | 93 348          | 90 958          | 88 358          | 85 624           | 80 911          | 77 499           | 73 823          | 72 335           | 68 986          |
| Risk products                                     | 856             | 875             | 872             | 875              | 842             | 888              | 877             | 902              | 2 382           |
| Traditional pension products                      | 189 502         | 187 701         | 187 681         | 187 544          | 186 627         | 188 455          | 188 220         | 187 961          | 187 227         |
| <b>Total insurance liabilities</b>                | <b>283 706</b>  | <b>279 534</b>  | <b>276 910</b>  | <b>274 042</b>   | <b>268 380</b>  | <b>266 842</b>   | <b>262 920</b>  | <b>261 197</b>   | <b>258 595</b>  |

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. In the fourth quarter of 2017, portfolios of commercial mortgages amounting to approximately NOK 11.7 billion were sold from DNB Bank ASA to DNB Livsforsikring AS.

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 II margin

|   | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| <i>Amounts in NOK million</i>                               |                 |                  |                 |                  |                 |                  |                 |                  |                 |
| Share capital   | 1 750           | 1 750            | 1 750           | 1 750            | 1 750           | 1 750            | 1 750           | 1 750            | 1 750           |
| Share premium   | 6 016           | 6 016            | 6 016           | 6 016            | 6 016           | 6 016            | 6 016           | 6 016            | 6 016           |
| Reconciliation reserve <sup>1)</sup>                        | 20 520          | 21 446           | 21 312          | 20 765           | 21 106          | 21 427           | 22 063          | 21 892           | 23 149          |
| <i>Including effect of transitional rules <sup>2)</sup></i> | <i>7 162</i>    | <i>8 066</i>     | <i>8 298</i>    | <i>8 419</i>     | <i>8 868</i>    | <i>13 990</i>    | <i>18 409</i>   | <i>19 754</i>    | <i>7 708</i>    |
| <b>Total Tier 1 capital</b>                                 | <b>28 286</b>   | <b>29 212</b>    | <b>29 078</b>   | <b>28 531</b>    | <b>28 872</b>   | <b>29 193</b>    | <b>29 829</b>   | <b>29 658</b>    | <b>30 915</b>   |
| Subordinated loans  | 5 500           | 5 500            | 5 500           | 5 500            | 5 500           | 5 500            | 5 500           | 5 500            | 5 500           |
| Risk equalisation fund                                      | 516             | 407              | 407             | 407              | 407             | 319              | 319             | 319              | 319             |
| <b>Total Tier 2 capital</b>                                 | <b>6 016</b>    | <b>5 907</b>     | <b>5 907</b>    | <b>5 907</b>     | <b>5 907</b>    | <b>5 819</b>     | <b>5 819</b>    | <b>5 819</b>     | <b>5 819</b>    |
| <b>Total Tier 3 capital</b>                                 | <b>0</b>        | <b>0</b>         | <b>0</b>        | <b>0</b>         | <b>0</b>        | <b>0</b>         | <b>0</b>        | <b>0</b>         | <b>0</b>        |
| <b>Total capital</b>  | <b>34 302</b>   | <b>35 119</b>    | <b>34 985</b>   | <b>34 438</b>    | <b>34 779</b>   | <b>35 012</b>    | <b>35 648</b>   | <b>35 477</b>    | <b>36 734</b>   |
| <b>Total capital without transitional rules</b>             | <b>27 140</b>   | <b>27 105</b>    | <b>26 775</b>   | <b>26 120</b>    | <b>25 931</b>   | <b>22 126</b>    | <b>19 193</b>   | <b>18 467</b>    | <b>22 565</b>   |
| Market and counterparty risk                                | 29 554          | 29 674           | 29 757          | 29 974           | 27 638          | 27 535           | 28 262          | 28 121           | 29 836          |
| Life, health and non-life risk                              | 11 328          | 11 179           | 11 516          | 11 344           | 11 220          | 11 706           | 11 486          | 11 274           | 11 319          |
| Operational risk  | 1 123           | 1 106            | 1 113           | 1 116            | 1 095           | 1 104            | 1 104           | 1 109            | 1 158           |
| Diversification <sup>3)</sup>                               | (7 423)         | (7 327)          | (7 505)         | (7 362)          | (7 174)         | (7 343)          | (7 311)         | (7 095)          | (7 360)         |
| Risk absorbing deferred tax                                 | (5 126)         | (4 813)          | (4 849)         | (4 985)          | (4 637)         | (5 143)          | (5 530)         | (5 615)          | (5 475)         |
| Risk-absorbing technical provisions <sup>4)</sup>           | (11 376)        | (11 978)         | (12 094)        | (12 582)         | (11 625)        | (9 867)          | (8 943)         | (8 719)          | (10 384)        |
| <b>Solvency capital requirement (SCR)</b>                   | <b>18 079</b>   | <b>17 841</b>    | <b>17 937</b>   | <b>17 505</b>    | <b>16 518</b>   | <b>17 992</b>    | <b>19 067</b>   | <b>19 075</b>    | <b>19 095</b>   |
| <b>Minimum capital requirement (MCR)</b>                    | <b>7 908</b>    | <b>7 468</b>     | <b>7 469</b>    | <b>7 422</b>     | <b>7 356</b>    | <b>7 577</b>     | <b>7 628</b>    | <b>7 652</b>     | <b>8 102</b>    |
| <b>Solvency margin with transitional rules (%)</b>          | <b>190</b>      | <b>197</b>       | <b>195</b>      | <b>197</b>       | <b>211</b>      | <b>195</b>       | <b>187</b>      | <b>186</b>       | <b>192</b>      |
| <b>Solvency margin without transitional rules (%)</b>       | <b>146</b>      | <b>147</b>       | <b>144</b>      | <b>144</b>       | <b>152</b>      | <b>119</b>       | <b>96</b>       | <b>91</b>        | <b>113</b>      |

1) Profit earned that is included as equity in the financial statements must be replaced by the reconciliation reserve in the solvency balance. The reconciliation reserve includes profit earned, but is based on the valuation of assets and liabilities in the solvency balance. The reconciliation reserve includes the present value of future profits. The value of future profits is implicitly included as a consequence of the valuation of insurance liabilities.

2) 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. No spread risk charge is calculated for Government bonds issued in their domestic currency. During a transitional period, this also applies to issues in other EEA (European Economic Area) currencies. The exemption applies up to and including 2018, whereafter there will be an escalation period up to year-end 2019.

3) Diversification between Market and counterparty risk and Insurance risk.

4) Future discretionary bonus (FDB) is included in technical provisions and is risk absorbing when calculating the solvency capital requirement

## 2.8.11 DNB Asset Management - Financial performance

| <i>Amounts in NOK million</i>                              | 4Q17       | 3Q17       | 2Q17      | 1Q17      | 4Q16      | 3Q16       | 2Q16      | 1Q16      | 4Q15      |
|--|------------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
| Net interest income  | 0          | 1          | 1         | 1         | 1         | 0          | 0         | 0         | 20        |
| Net commission income                                      |            |            |           |           |           |            |           |           |           |
| - from retail customers                                    | 91         | 90         | 89        | 83        | 80        | 80         | 76        | 73        | 79        |
| - from institutional clients                               | 228        | 170        | 153       | 124       | 130       | 178        | 155       | 135       | 159       |
| Other income   | 1          | 2          | 8         | 3         | (9)       | 2          | 3         | 31        | 2         |
| Total income   | 320        | 263        | 251       | 211       | 202       | 260        | 234       | 239       | 259       |
| Operating expenses   | (148)      | (121)      | (116)     | (97)      | (87)      | (122)      | (115)     | (115)     | (155)     |
| Pre-tax operating profit                                   | 173        | 142        | 134       | 113       | 114       | 138        | 119       | 124       | 104       |
| Tax expense  | (47)       | (38)       | (36)      | (31)      | (31)      | (37)       | (32)      | (34)      | (28)      |
| <b>Profit for the period</b>                               | <b>126</b> | <b>103</b> | <b>98</b> | <b>83</b> | <b>83</b> | <b>101</b> | <b>87</b> | <b>91</b> | <b>76</b> |
| <b>Assets under management (NOK billion) <sup>1)</sup></b> |            |            |           |           |           |            |           |           |           |
| Institutional  | 512        | 497        | 488       | 481       | 462       | 466        | 458       | 455       | 492       |
| - of which DNB Livsforsikring Group <sup>2)</sup>          | 265        | 264        | 259       | 258       | 251       | 261        | 257       | 253       | 248       |
| Retail   | 84         | 79         | 76        | 72        | 68        | 67         | 63        | 59        | 60        |
| Total  | 596        | 576        | 564       | 553       | 531       | 532        | 521       | 514       | 552       |
| <b>Key figures</b>   |            |            |           |           |           |            |           |           |           |
| Cost/income ratio (%)                                      | 46.1       | 46.1       | 46.4      | 46.2      | 43.3      | 47.0       | 49.1      | 48.0      | 59.9      |
| <b>Assets under management - net inflow <sup>*)</sup></b>  |            |            |           |           |           |            |           |           |           |
| <b>Changes from previous quarters (NOK million)</b>        |            |            |           |           |           |            |           |           |           |
| Retail market  | 4 878      | 1 535      | 1 136     | 1 149     | 1 256     | 1 493      | (802)     | 607       | 154       |
| Institutional clients                                      | 2 971      | 1 937      | (777)     | 7 136     | (15 055)  | 1 145      | 758       | (31 757)  | (12 578)  |
| Total  | 7 848      | 3 472      | 359       | 8 286     | (13 798)  | 2 638      | (45)      | (31 150)  | (12 424)  |
| <b>*) Excluding dividends:</b>                             |            |            |           |           |           |            |           |           |           |
| 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.

## 2.8.12 DNB Forsikring - Financial performance

| <i>Amounts in NOK million</i>                        | 4Q17      | 3Q17      | 2Q17      | 1Q17      | 4Q16      | 3Q16      | 2Q16      | 1Q16      | 4Q15      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Premium income for own account                       | 549       | 550       | 536       | 526       | 533       | 523       | 521       | 489       | 492       |
| Cost of claims for own account                       | (391)     | (373)     | (355)     | (378)     | (360)     | (384)     | (323)     | (379)     | (365)     |
| Insurance-related operating expenses for own account | (96)      | (104)     | (102)     | (121)     | (98)      | (94)      | (90)      | (84)      | (76)      |
| Technical insurance profits                          | 62        | 72        | 79        | 27        | 75        | 45        | 108       | 27        | 51        |
| Net investment income                                | 16        | 20        | 17        | 20        | 6         | 13        | 15        | 21        | 10        |
| Other income and costs                               | 5         | (8)       | (2)       | 2         | (6)       | 10        | 0         | 3         | 1         |
| Pre-tax profit                                       | 83        | 85        | 94        | 48        | 75        | 67        | 124       | 50        | 62        |
| Tax expense  | (18)      | (21)      | (24)      | (12)      | (17)      | (17)      | (31)      | (13)      | (15)      |
| <b>Profit for the period</b>                         | <b>65</b> | <b>63</b> | <b>71</b> | <b>36</b> | <b>58</b> | <b>50</b> | <b>93</b> | <b>38</b> | <b>47</b> |
| <b>Balance sheets</b>                                |           |           |           |           |           |           |           |           |           |
| Financial assets                                     | 2 577     | 2 490     | 2 425     | 2 543     | 2 383     | 2 355     | 2 275     | 2 374     | 2 163     |
| Reinsurance assets                                   | 9         | 14        | 22        | 33        | 28        | 59        | 43        | 61        | 44        |
| Insurance receivables                                | 848       | 876       | 1 002     | 1 006     | 752       | 858       | 932       | 864       | 753       |
| Reinsurance receivables                              | 25        | 24        | 22        | 89        | 105       | 64        | 56        | 53        | 62        |
| Total assets   | 3 459     | 3 404     | 3 471     | 3 672     | 3 268     | 3 336     | 3 306     | 3 353     | 3 022     |
| Equity   | 827       | 874       | 811       | 740       | 704       | 834       | 984       | 891       | 853       |
| Premium reserve                                      | 900       | 1 016     | 1 139     | 1 200     | 847       | 975       | 1 101     | 1 076     | 836       |
| Claims reserve                                       | 1 091     | 988       | 1 001     | 975       | 990       | 1 028     | 946       | 989       | 982       |
| Reinsurance liabilities                              | 2         | 2         | 17        | 15        | 0         | 3         | 18        | 18        | (0)       |
| Other liabilities                                    | 639       | 524       | 504       | 741       | 727       | 496       | 258       | 378       | 351       |
| Total equity and liabilities                         | 3 459     | 3 404     | 3 471     | 3 672     | 3 268     | 3 336     | 3 306     | 3 353     | 3 022     |
| <b>Key figures</b>                                   |           |           |           |           |           |           |           |           |           |
| Claims ratio for own account                         | 71.3      | 67.9      | 66.2      | 72.0      | 67.5      | 73.4      | 62.0      | 77.5      | 74.2      |
| Cost ratio for own account                           | 17.4      | 19.0      | 19.0      | 22.9      | 18.4      | 18.0      | 17.2      | 17.1      | 15.4      |
| Combined ratio for own account (per cent)            | 88.7      | 86.8      | 85.2      | 94.9      | 86.0      | 91.4      | 79.3      | 94.6      | 89.6      |

## 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  | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 |
|-------------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Total balance sheet     | 2 698           | 2 767            | 2 723           | 2 870            | 2 653           |
| Loans to customers      | 1 545           | 1 536            | 1 552           | 1 531            | 1 509           |
| Deposits from customers | 971             | 1 010            | 1 009           | 1 017            | 935             |
| Market capitalisation   | 246             | 260              | 231             | 222              | 209             |

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                           | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 |
|--|-----------------|------------------|-----------------|------------------|-----------------|
| Total assets under management                    | 648             | 625              | 615             | 602              | 580             |
| <i>of which:</i>                                 |                 |                  |                 |                  |                 |
| total assets under management (external clients) | 328             | 309              | 303             | 293              | 278             |
| mutual funds                                     | 129             | 118              | 114             | 110              | 103             |
| discretionary management                         | 199             | 191              | 188             | 183              | 175             |
| total assets in DNB Livsforsikring               | 317             | 312              | 309             | 306              | 299             |
| financial assets, customers bearing the risk     | 75              | 71               | 68              | 65               | 60              |
| total assets in DNB Forsikring                   | 3               | 3                | 3               | 4                | 3               |

### 3.1.3 Customer base

Serving 2.0 million private individuals throughout Norway, of whom 1.3 million used the internet bank and 800 000 the mobile bank during the fourth quarter of 2017. There were 2.7 million users of the Vipps payment app as at 31 December 2017.

Some 210 000 corporate customers in Norway

Some 1 200 000 life and pension insurance customers in Norway

Approximately 478 000 mutual fund customers in Norway and 143 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): |
| DNB Bank Polska (subsidiary)           | 51 post office counters                                |
| DNB Luxembourg (subsidiary)            | About 1 320 in-store postal outlets                    |
| Internet and mobile banking            | About 1 624 rural postmen                              |
| Vipps and SMS services                 | 143 DNB Eiendom sales offices                          |
| Telephone banking                      | 12 sales offices for life and pension insurance        |
|  | 9 insurance agents                                     |

### 3.1.5 DNB Bank ASA - credit ratings from international rating agencies

|                               | Moody's                  |                          |            | Standard & Poor's       |            |
|-------------------------------|--------------------------|--------------------------|------------|-------------------------|------------|
|                               | Long-term                |                          | Short-term | Long-term               | Short-term |
|                               | Bank deposits            | Senior unsecured debt    |            |                         |            |
| <b>As at 31 December 2017</b> | <b>Aa2 <sup>1)</sup></b> | <b>Aa2 <sup>1)</sup></b> | <b>P-1</b> | <b>A+ <sup>2)</sup></b> | <b>A-1</b> |
| As at 30 September 2017       | Aa2 <sup>1)</sup>        | Aa2 <sup>1)</sup>        | P-1        | A+ <sup>2)</sup>        | A-1        |
| As at 30 June 2017            | Aa2 <sup>1)</sup>        | Aa2 <sup>1)</sup>        | P-1        | A+ <sup>2)</sup>        | A-1        |
| As at 30 June 2017            | Aa2 <sup>1)</sup>        | Aa2 <sup>1)</sup>        | P-1        | A+ <sup>2)</sup>        | A-1        |
| As at 31 March 2017           | Aa2 <sup>1)</sup>        | Aa2 <sup>1)</sup>        | P-1        | A+ <sup>2)</sup>        | A-1        |
| As at 31 December 2016        | Aa2 <sup>1)</sup>        | Aa2 <sup>1)</sup>        | P-1        | A+ <sup>1)</sup>        | A-1        |
| As at 30 September 2016       | Aa2 <sup>1)</sup>        | Aa2 <sup>1)</sup>        | P-1        | A+ <sup>1)</sup>        | A-1        |
| As at 30 June 2016            | Aa2 <sup>1)</sup>        | Aa2 <sup>1)</sup>        | P-1        | A+ <sup>1)</sup>        | A-1        |
| As at 31 March 2016           | Aa2 <sup>1)</sup>        | Aa2 <sup>1)</sup>        | P-1        | A+ <sup>1)</sup>        | A-1        |

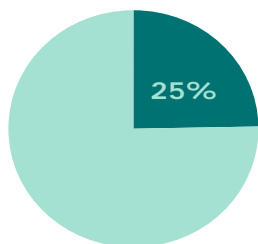
1) Negative outlook.

2) Stable outlook.

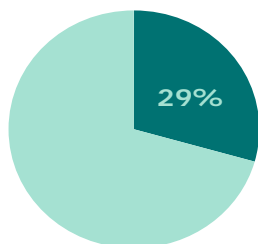
### 3.2.1 DNB's market shares in Norway as at 30 September 2017

#### Retail market

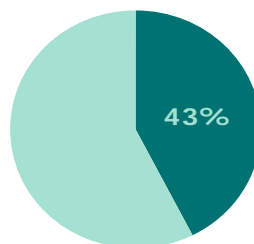
Loans from  
financial institutions



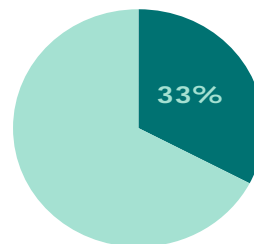
Deposits



Policyholders'  
funds

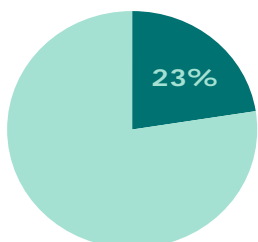


Mutual fund  
investments

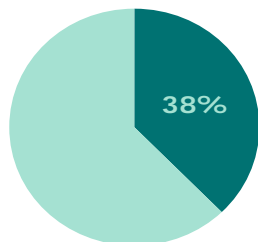


#### Corporate market

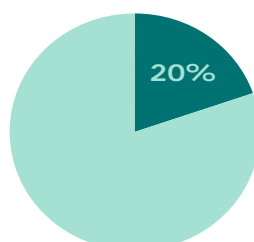
Loans from  
financial institutions



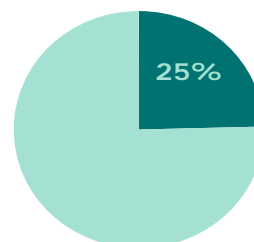
Deposits




Policyholders'  
funds <sup>1)</sup>



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                                       | 30 Nov.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Total loans to households <sup>1) 2)</sup>     | 24.7            | 24.7             | 24.8            | 24.9             | 25.0            | 25.1             | 25.2            | 25.2             | 25.4            |
| Bank deposits from households <sup>1) 3)</sup> | 29.6            | 29.4             | 29.6            | 29.8             | 30.0            | 30.0             | 30.2            | 30.2             | 30.6            |

### Corporate customers

| Per cent   | 30 Nov.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Total loans to corporate customers <sup>4)</sup> | 11.2            | 11.2             | 11.4            | 11.3             | 10.8            | 10.6             | 10.7            | 10.7             | 10.6            |
| Deposits from corporate customers <sup>5)</sup>  | 38.1            | 37.7             | 38.2            | 38.0             | 37.6            | 37.9             | 37.7            | 39.0             | 38.3            |

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   | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 | 30 Sept.<br>2015 |
|--|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| Insurance funds including products with a choice of investment profile | 22.1             | 22.3            | 22.4             | 22.4            | 22.5             | 22.7            | 23.0             | 23.0            | 22.9             |
| Corporate market - defined benefit                                     | 41.7             | 42.0            | 41.5             | 41.5            | 40.4             | 40.6            | 40.7             | 40.7            | 40.3             |
| Corporate market - defined contribution <sup>1)</sup>                  | 28.0             | 28.0            | 28.1             | 27.5            | 27.3             | 27.1            | 26.9             | 26.9            | 27.0             |
| Retail market  | 43.8             | 44.4            | 45.0             | 45.4            | 47.5             | 47.9            | 48.5             | 48.1            | 49.9             |

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 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 30 June 2017 of 28.9 per cent.

Source: Finance Norway

## 3.2.4 DNB Asset Management - market shares retail market

| Per cent                     | 31 Dec.<br>2017 | 30 Sept.<br>2017 | 30 June<br>2017 | 31 March<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 | 30 June<br>2016 | 31 March<br>2016 | 31 Dec.<br>2015 |
|------------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Equity funds                 | 31.2            | 30.8             | 30.4            | 30.9             | 28.8            | 28.6             | 28.4            | 28.2             | 27.8            |
| Balanced funds <sup>1)</sup> | 38.1            | 38.0             | 38.7            | 39.7             | 39.6            | 39.5             | 39.6            | 40.1             | 40.0            |
| Fixed-income funds           | 26.6            | 25.7             | 25.4            | 24.7             | 24.6            | 24.0             | 23.6            | 23.4             | 22.3            |
| <b>Total mutual funds</b>    | <b>30.7</b>     | <b>30.1</b>      | <b>29.9</b>     | <b>30.2</b>      | <b>29.0</b>     | <b>28.7</b>      | <b>28.4</b>     | <b>28.4</b>      | <b>27.9</b>     |

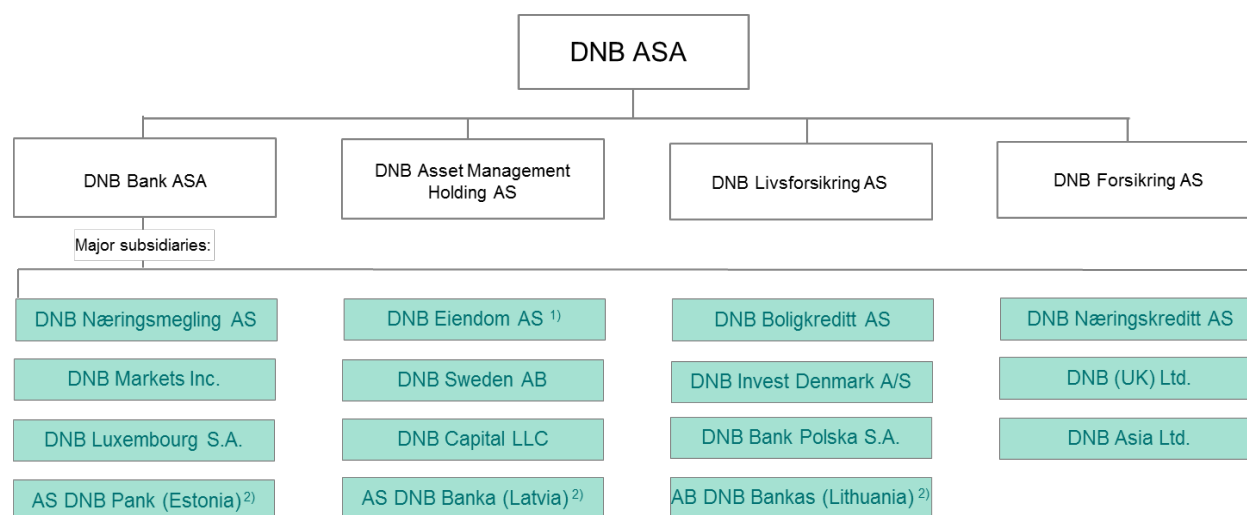
1) Include hedge funds.

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) DNB Meglerservice was merged with DNB Eiendom AS in the fourth quarter of 2017.

2) On 25 August 2016, DNB and Nordea announced an agreement to combine their operations in Estonia, Latvia and Lithuania. The transaction was closed on 1 October 2017 and the Luminor Group AB was established. DNB's ownership interest in Luminor Group AB of approximately 44 per cent is consolidated by the equity method with effect from 1 October 2017.

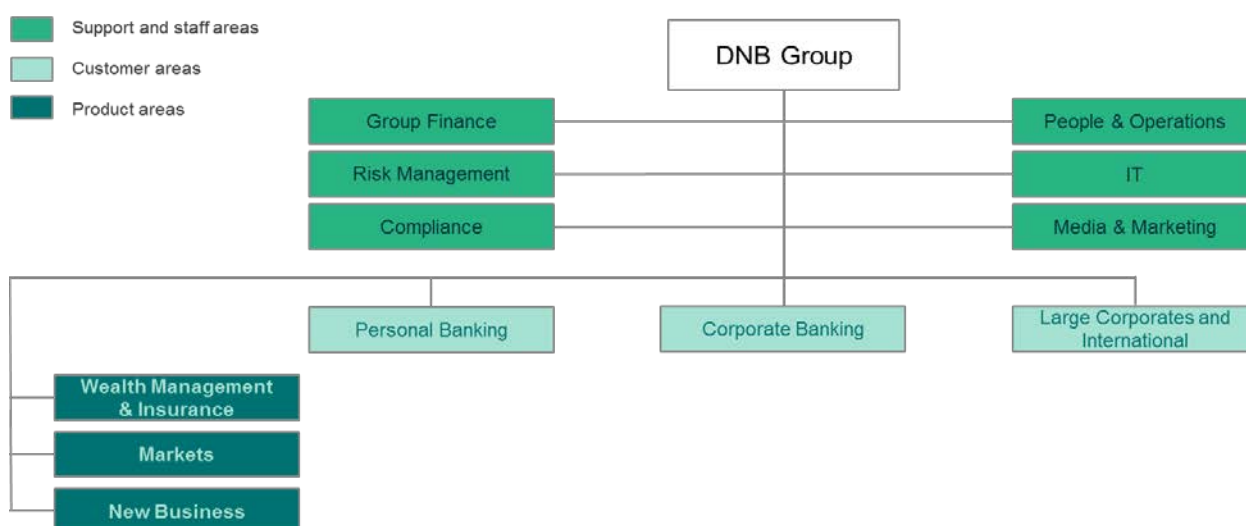
### 3.3.2 Operational structure

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.

In December 2017, DNB adjusted its operational structure to meet changes in the market and reinforce the Group's strategic priorities. The adjustment of the organisational structure also entailed changes to the group management team.

#### Operational structure as from December 2017

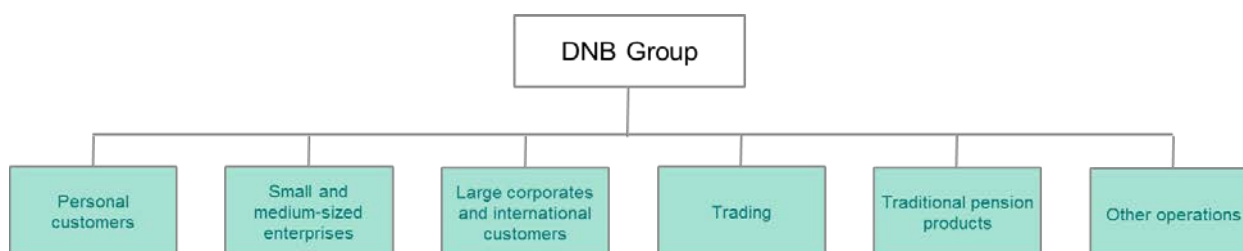


- **Personal Banking** is responsible for product sales and advisory services to Norwegian consumers and households. DNB offers a wide range of products through Norway's largest distribution network, comprising branches, telephone banking (24/7), digital banking, real estate broking as well as external channels (post offices and in-store postal 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. The area also included personal and small business customers in the Baltics, up to 3Q17. Luminor Group AB was established on 1 October 2017 combining the operations of Nordea and DNB in Estonia, Latvia and Lithuania and is consolidated by the equity method.
- **Wealth Management & Insurance** serves high net worth individuals through its Private Banking unit. In addition, the business area is responsible for the further development of the Group's savings and insurance products and delivers defined-contribution pension schemes to all DNB customers in cooperation with the customer areas.
- **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.
- **New Business** will create increased competitive power and growth for DNB by designing new solutions and business models and strengthening the delivery capacity of existing segments. This will be achieved through a more unified strategy and consistent management of data and customer insight, payments and payment infrastructure, open banking, the use of technology, and partnerships.

### 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 included personal and small business customers in the Baltics, up to 3Q17. Luminor Group AB was established on 1 October 2017 combining the operations of Nordea and DNB in Estonia, Latvia and Lithuania and is consolidated by the equity method. The Luminor Group AB activities are reported in the Other operations segment.

**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.

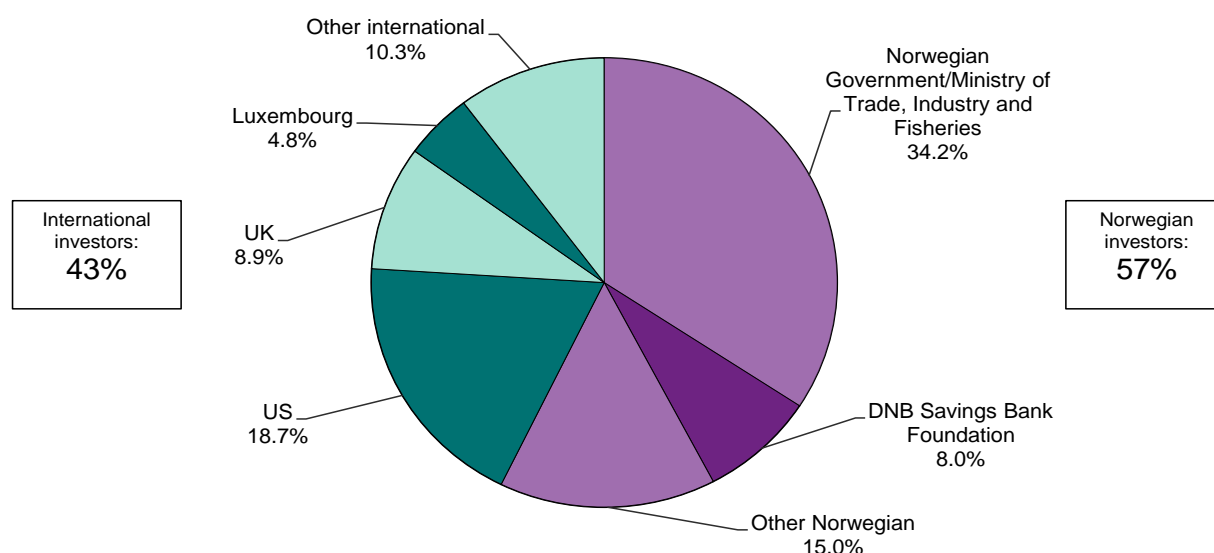
### 3.4.1 Major shareholders as at 31 December 2017

|  | Shares in 1 000  | Ownership in per cent |
|--|------------------|-----------------------|
| Norwegian Government/Ministry of Trade, Industry and Fisheries <sup>1)</sup> | 553 792          | 34.2                  |
| DNB Savings Bank Foundation  | 130 001          | 8.0                   |
| Folketrygdfondet   | 99 893           | 6.2                   |
| Fidelity International   | 30 055           | 1.9                   |
| BlackRock Institutional Trust Company, N.A.                                  | 28 526           | 1.8                   |
| The Vanguard Group, Inc.   | 27 252           | 1.7                   |
| Deutsche Asset Management Investment GmbH                                    | 26 705           | 1.7                   |
| Schroder Investment Management Ltd. (SIM)                                    | 18 908           | 1.2                   |
| Capital World Investors  | 18 043           | 1.1                   |
| MFS Investment Management  | 16 538           | 1.0                   |
| T. Rowe Price Associates, Inc.   | 15 846           | 1.0                   |
| Storebrand Kapitalforvaltning AS   | 15 646           | 1.0                   |
| KLP Forsikring   | 15 395           | 1.0                   |
| DNB Asset Management AS  | 14 467           | 0.9                   |
| Janus Henderson Investors  | 13 489           | 0.8                   |
| SAFE Investment Company Limited  | 13 217           | 0.8                   |
| State Street Global Advisors (US)  | 12 900           | 0.8                   |
| Nordea Funds Oy  | 11 209           | 0.7                   |
| Edinburgh Partners Limited   | 11 086           | 0.7                   |
| Columbia Threadneedle Investments (UK)                                       | 11 067           | 0.7                   |
| <b>Total largest shareholders</b>  | <b>1 084 035</b> | <b>67.0</b>           |
| Other shareholders   | 534 014          | 33.0                  |
| <b>Total</b>   | <b>1 618 049</b> | <b>100.0</b>          |

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

1) DNB has completed two buy-back programmes totalling 1 per cent of outstanding shares. According to an agreement, the Norwegian government will redeem shares on a proportional basis so that its current holding will remain at 34 per cent.

### 3.4.2 Ownership according to nationality as at 31 December 2017



### 3.4.3 Share buy-back programmes

The Annual General Meeting held in April 2017 authorised DNB ASA to repurchase up to 1.5 per cent of its registered shares in order to enable an optimal level of capital in the company. DNB ASA has signed an agreement with the Norwegian government, represented by the Ministry of Trade, Industry and Fisheries, to ensure that the government maintains its 34 per cent ownership interest in DNB ASA after completion of the buy-back programme.

At year-end 2017, the number of issued shares in DNB ASA was 1 628 798 861. DNB ASA repurchased 10 750 068 shares from 13 July to 31 December 2017, representing 0.66 per cent of its registered shares, at an average price of NOK 154.33 per share. In addition, 0.34 per cent of the shares owned by the Norwegian government will be redeemed after the Annual General Meeting in 2018, bringing total buy-backs to 1.00 per cent.

DNB ASA will ask the Annual General Meeting in 2018 for approval to cancel the repurchased shares and to redeem the proportionate number of shares owned by the Norwegian government. The shares owned by the Norwegian government will be redeemed against a payment corresponding to the average volume-weighted price of the shares repurchased by DNB ASA in the open market as part of the buy-back programme, in addition to an interest compensation and an agreed adjustment for dividends paid on the redeemed shares during the buy-back period (if any). Once this transaction has been completed, a stock exchange statement will be published, specifying the updated number of shares after completion of the share buy-back programme and cancellation of the shares.

#### Buy-back programmes

|   | 31 Dec.<br>2017   | 30 Sept.<br>2017 |
|---|-------------------|------------------|
| <i>Number of shares</i>   |                   |                  |
| The Group's portfolio of own shares acquired under the share buy-back programme | 10 750 068        | 6 056 034        |
| Redemption of shares from the state of Norway                                   | 5 537 914         | 3 119 775        |
| <b>Total purchased shares</b>   | <b>16 287 982</b> | <b>9 175 809</b> |
|   |                   |                  |
| Total price of repurchased shares (NOK)   | 1 659 026 411     | 930 424 841      |
| Average price of repurchased shares (NOK)                                       | 154.33            | 153.64           |
|   |                   |                  |
|   | Announced         | Completed        |
| Programme 1 - 0,5 per cent <sup>1)</sup>  | 12 July 2017      | 14 August 2017   |
| Programme 2 - 0,5 per cent <sup>1)</sup>  | 21 September 2017 | 8 December 2017  |

1) Including redemption of government shares.



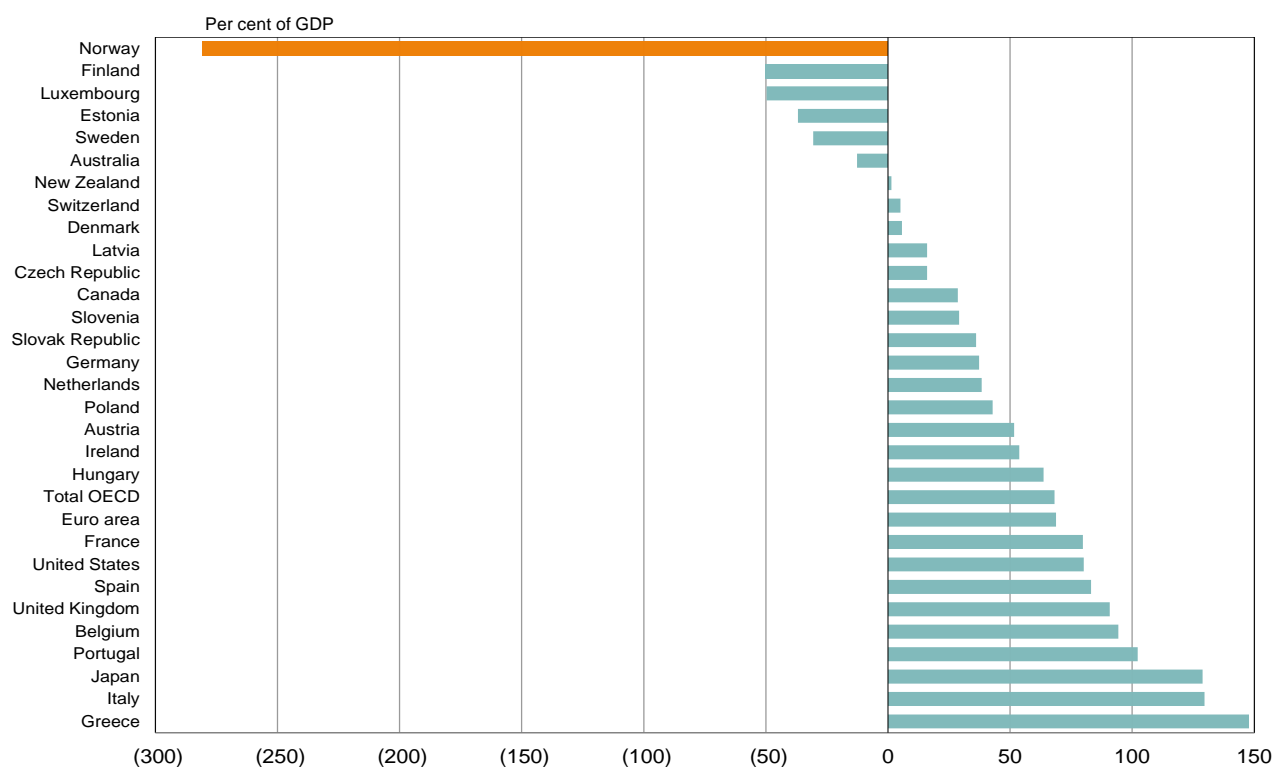
## **Chapter 4 - The Norwegian economy**

### 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 | 69.4 (M: 72.0 F:66.8)                   |
| Gross domestic product 2016                   | USD 387.8 billion                       |
| GDP per capita 2016                           | USD 74 724                              |
| Rating  | AAA, Aaa                                |
| Currency exchange rate used                   | 8.26 USD/NOK (Average 2017)             |
| Current balance 2016                          | USD 14.1 billion or 3.8 per cent of GDP |

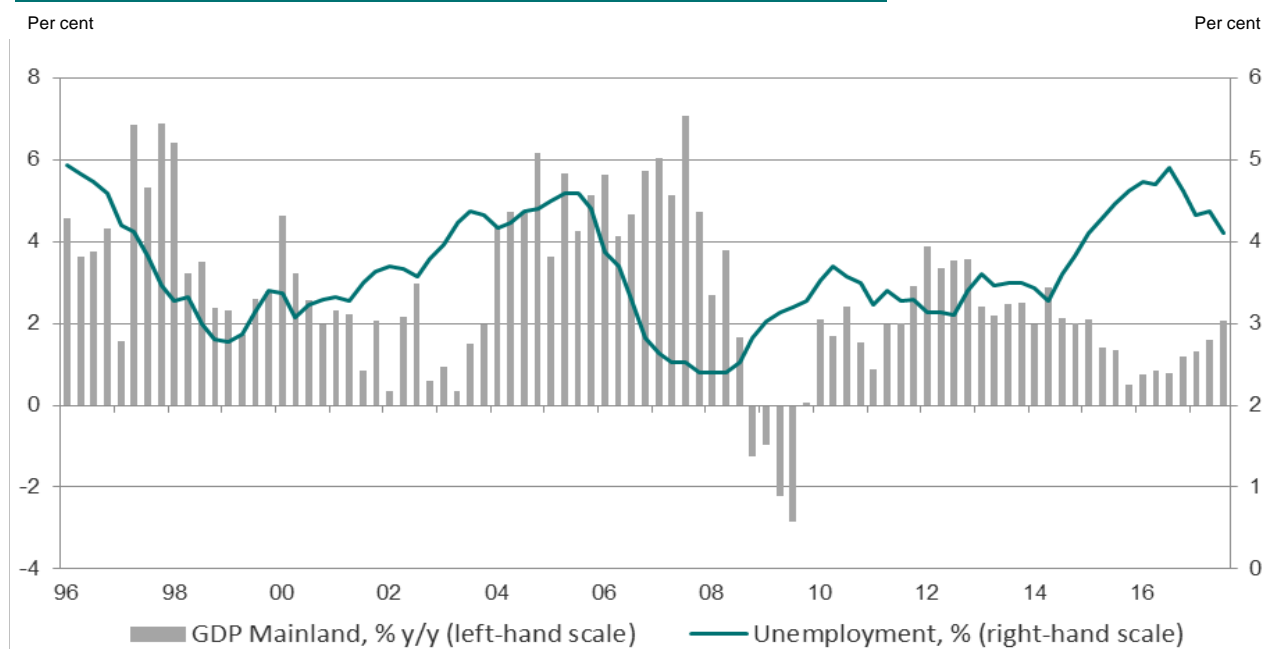
Source: Statistics Norway

### 4.1.2 Government net financial liabilities 2016



Source: OECD Economic Outlook No. 102 database, November 2017

### 4.1.3 GDP growth mainland Norway and unemployment rate



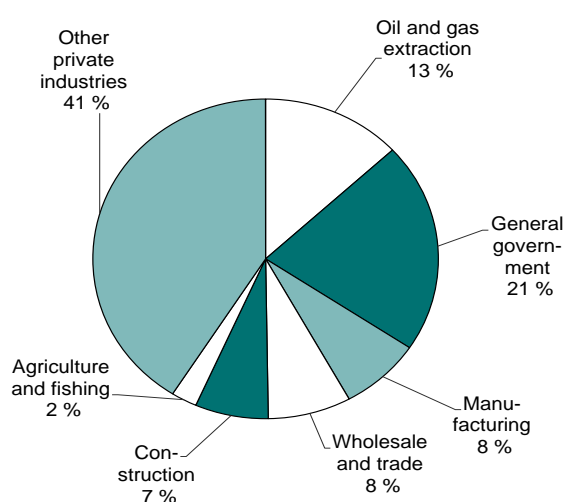
Source: Thomson Datastream, Statistics Norway

### 4.1.4 Contribution to volume growth in GDP, mainland Norway

| Per cent  | 2016       | F 2017     | F 2018     | F 2019     | F 2020     | F 2021     |
|---|------------|------------|------------|------------|------------|------------|
| Household demand                                  | 1.3        | 1.9        | 0.8        | 0.9        | 1.3        | 1.1        |
| Gross fixed capital formation, mainland companies | 0.4        | 0.5        | 0.5        | 0.4        | 0.3        | 0.2        |
| Gross fixed capital formation, petroleum activity | (0.7)      | (0.0)      | 0.9        | 0.5        | 0.3        | (0.4)      |
| Public sector demand                              | 0.9        | 0.6        | 0.6        | 0.6        | 0.6        | 0.6        |
| Exports, mainland Norway                          | (1.7)      | 0.3        | 1.0        | 0.9        | 0.9        | 0.5        |
| Imports, mainland Norway                          | 1.0        | 0.6        | 1.1        | 1.1        | 1.2        | 0.6        |
| Changes in stocks and statistical discrepancies   | 1.7        | (0.8)      | (0.5)      |            |            |            |
| <b>GDP, mainland Norway</b>                       | <b>1.0</b> | <b>1.8</b> | <b>2.1</b> | <b>2.3</b> | <b>2.2</b> | <b>1.5</b> |

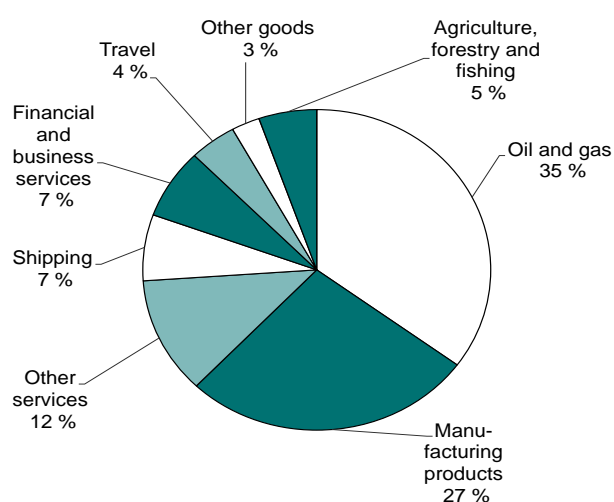
Source: Statistics Norway and DNB Markets

### 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



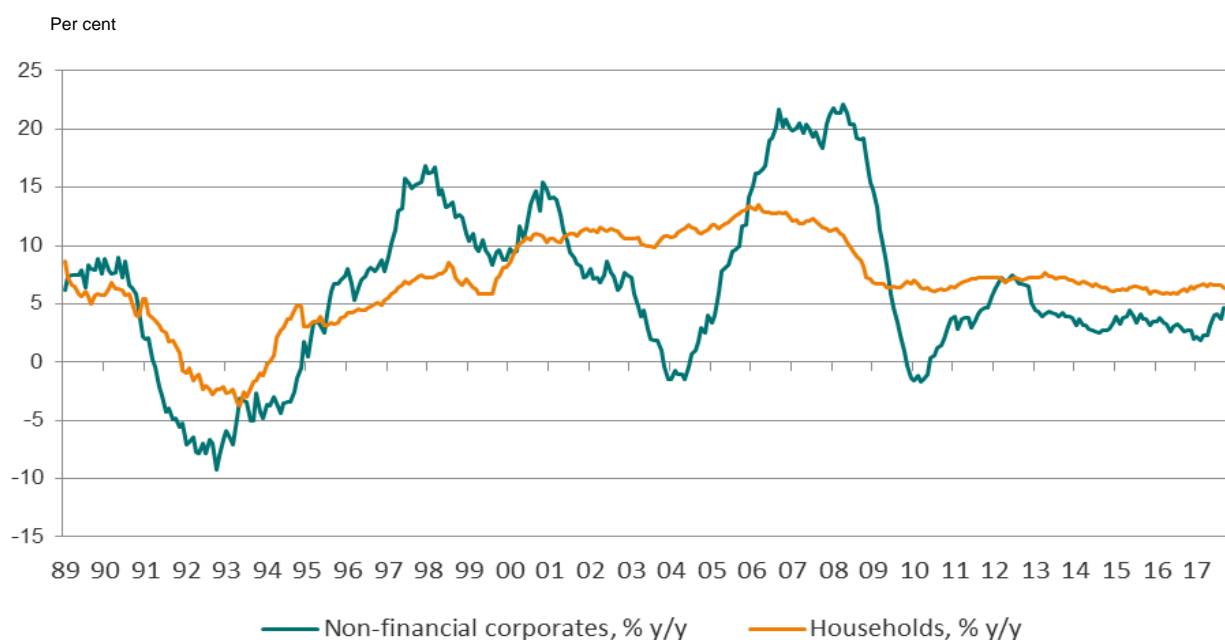
### 4.1.7 Key macro-economic indicators, Norway

| Per cent                    | 2016  | F 2017 | F 2018 | F 2019 | F 2020 | F 2021 |
|-----------------------------|-------|--------|--------|--------|--------|--------|
| GDP growth                  |       |        |        |        |        |        |
| - mainland Norway           | 1.0   | 1.8    | 2.1    | 2.3    | 2.2    | 1.5    |
| - Norway, total             | 1.1   | 2.2    | 2.1    | 2.0    | 1.9    | 1.3    |
| Private consumption         | 1.5   | 2.4    | 2.2    | 2.4    | 2.3    | 2.1    |
| Gross fixed investment      | (0.2) | 3.6    | 3.2    | 2.6    | 2.6    | (0.3)  |
| Inflation (CPI)             | 3.6   | 1.8    | 1.4    | 1.7    | 1.8    | 1.6    |
| Savings ratio <sup>1)</sup> | 7.2   | 7.1    | 7.6    | 7.9    | 8.2    | 8.3    |
| Unemployment rate           | 4.8   | 4.2    | 3.7    | 3.4    | 3.3    | 3.8    |

1) Per cent of household disposable income.

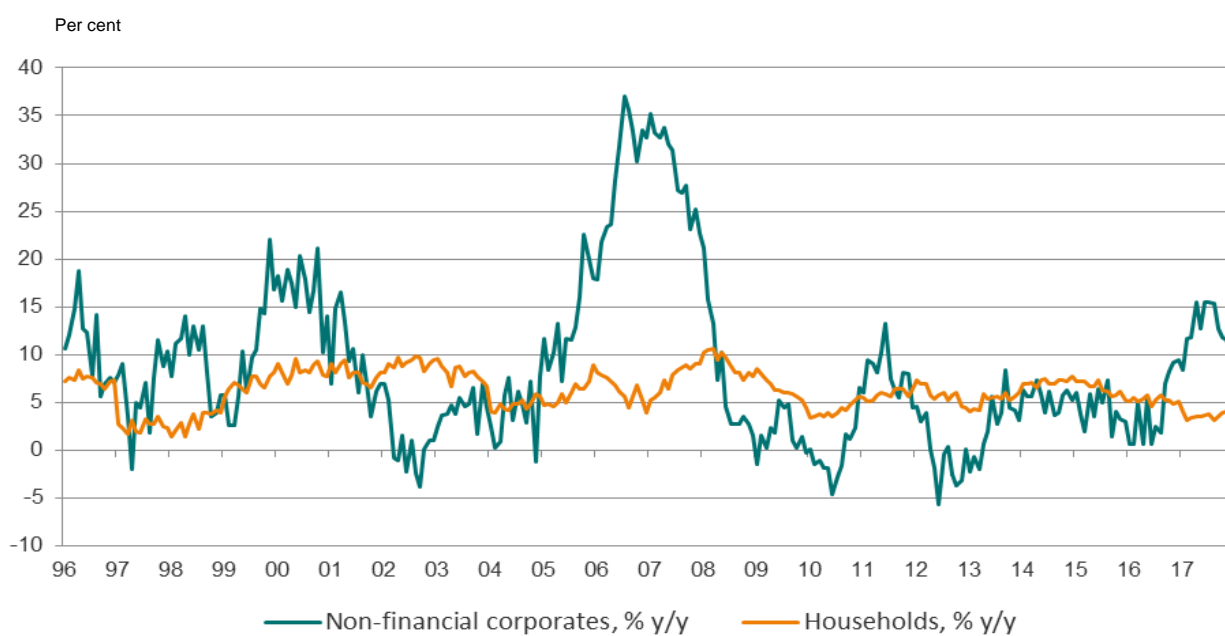
Source: Statistics Norway and DNB Markets

### 4.1.8 Credit market, 12 month percentage growth



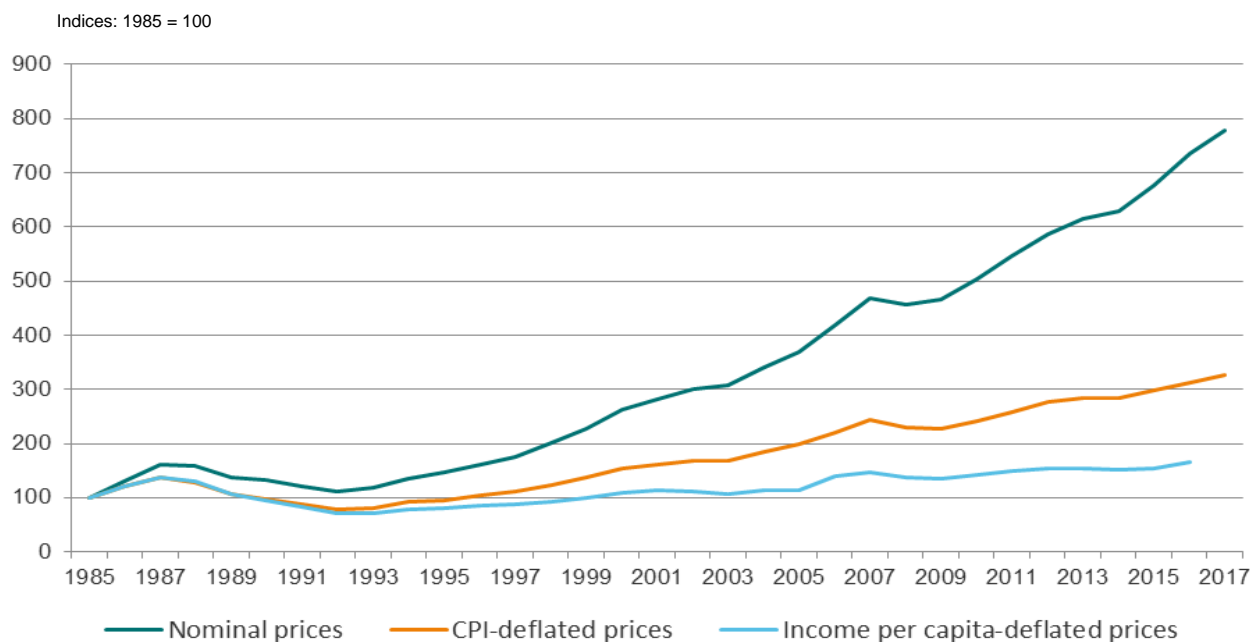
Source: Thomson Datastream, Statistics Norway

### 4.1.9 Deposit market, 12 month percentage growth



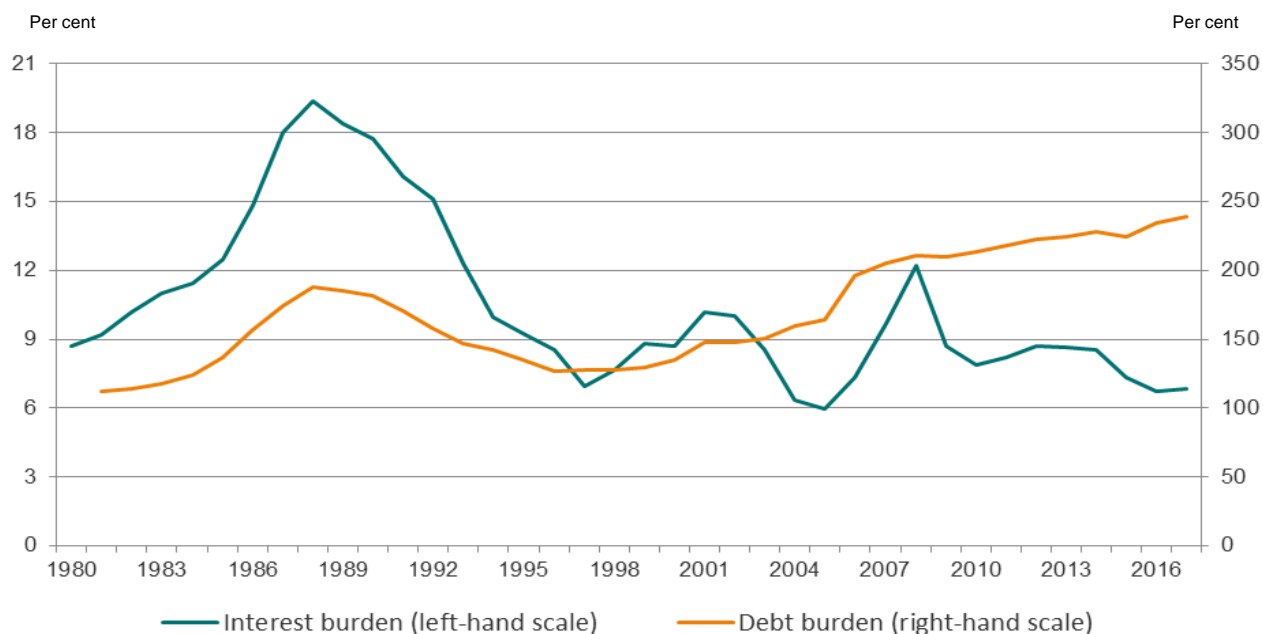
Source: Thomson Datastream, Statistics Norway

### 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 <sup>1)</sup> and debt burden <sup>2)</sup>



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 31 December 2017**

|   | Ordinary shares        |  | Additional Tier 1 capital  |  |  |  |
|---|------------------------|--|--|--|--|--|
|   |                        | NOK Notes  | NOK Notes  | USD Notes  | USD Notes  |  |
| 1. Issuer   | DNB Group              | 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   | XSI1506066676  |  |
| 3. Governing law for the instrument   | Norway                 | English <sup>9)</sup>  | English <sup>9)</sup>  | English <sup>9)</sup>  | English <sup>9)</sup>  |  |
| <b>Regulatory treatment:</b>  |                        |  |  |  |  |  |
| 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 <sup>9)</sup> | The issuer has the right to call at every interest payment date thereafter <sup>9)</sup> | The issuer has the right to call at every interest payment date thereafter <sup>9)</sup> | The issuer has the right to call at every interest payment date thereafter <sup>9)</sup> | The issuer has the right to call at every interest payment date thereafter <sup>9)</sup> |
| <b>Coupons/dividends:</b>   |                        |  |  |  |  |  |
| 17. Fixed or floating dividend/coupon   | Floating               | Floating   | Floating   | Fixed  | Fixed  | Fixed  |
| 18. Coupon rate and any related index   | N/A                    |  |  | 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   |
| <b>Convertible or non-convertible:</b>  |                        |  |  |  |  |  |
| 23. Convertible or non-convertible <sup>4)</sup>  | 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 31 December 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 <sup>2)</sup>                      | English <sup>2)</sup>                      | English <sup>2)</sup>  | English <sup>2)</sup>                      |
| <b>Regulatory treatment:</b>  |  |  |  |  |
| 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 <sup>4)</sup>  | 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 31 December 2017**

|   | Subordinated loans (part 2 of 2)           |   |  |  |   |   |  |
|---|--|---|--|--|---|---|--|
|   | SEK loan                                   | SEK loan  | SEK loan                                     | SEK loan   | JPY loan  | JPY loan  |  |
| 1. Issuer   | DNB Bank ASA                               | 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)                            | XS1239410043                               | XS1239410712                                    | XS1551373985                                 | XS1551373639   | NA  | XS1551344705  |  |
| 3. Governing law for the instrument   | English <sup>2)</sup>                      | English <sup>2)</sup>                           | English <sup>2)</sup>                        | English <sup>2)</sup>  | English <sup>2)</sup>   | English <sup>2)</sup>   |  |
| 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                         | Reset/ after first call date: 3-month STIBOR + 1.70 per cent | Reset/ after first call date: 6-month JPY LIBOR + 0.97 per cent | 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 <sup>4)</sup>  | 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 31 December 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 <sup>2)</sup>                                | English <sup>2)</sup>                                | English <sup>2)</sup>                                | English <sup>1)</sup>                                |
| <b>Regulatory treatment:</b>  |  |  |  |  |
| 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                 |
| <b>Coupons/dividends:</b>   |  |  |  |  |
| 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 <sup>7)</sup>                                    |
| 22. Non-cumulative or cumulative  | Non-cumulative <sup>6)</sup>                         | Non-cumulative <sup>6)</sup>                         | Non-cumulative <sup>6)</sup>                         | Non-cumulative <sup>6)</sup>                         |
| <b>Convertible or non-convertible:</b>  |  |  |  |  |
| 23. Convertible or non-convertible <sup>4)</sup>  | 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.





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