



**Extended
fourth quarter 2020
presentation**

10 February 2021

Q4

DNB Extended Q4 2020

DNB towards 2023

Kjerstin R. Braathen

Reaffirming financial ambitions

Ottar Ertzeid

**High-quality portfolio and attractive opportunities
for further profitable growth**

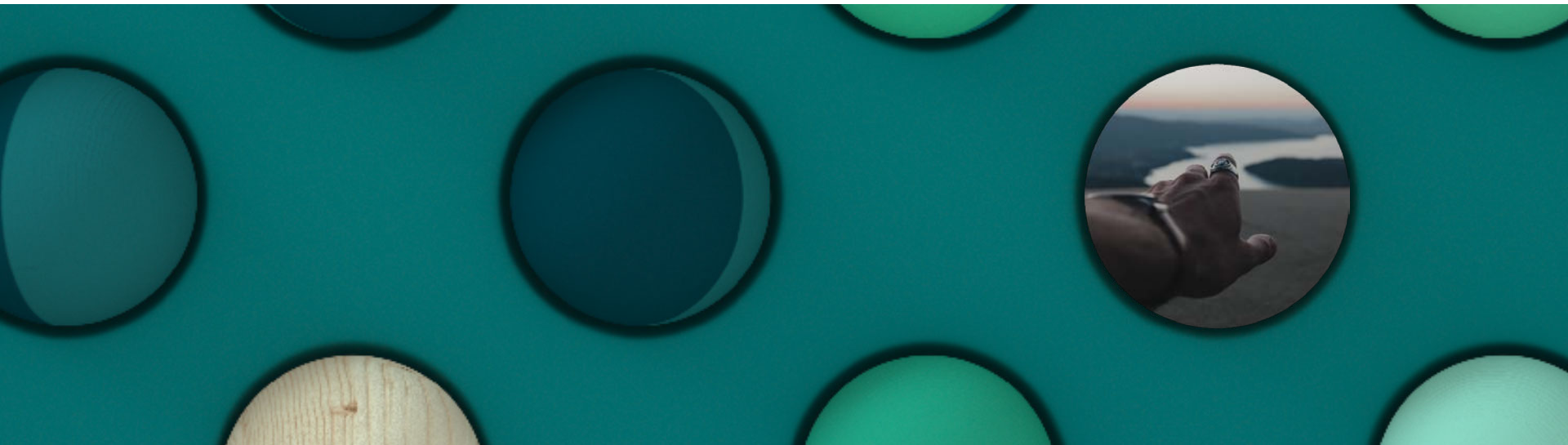
Harald Serck-Hanssen

Solid foundation for continued profitable growth

Ingjerd Blekeli Spiten

DNB towards 2023

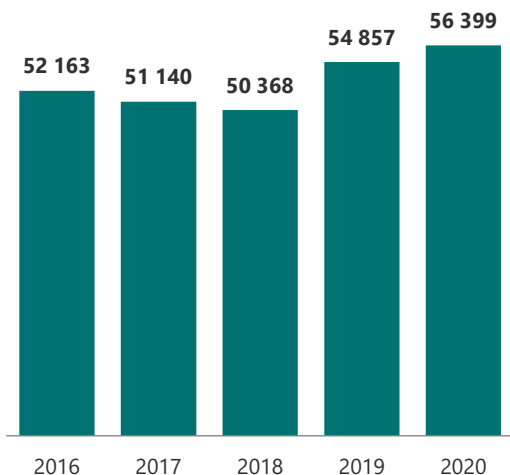
- Results 2020
- Financial ambitions
- The Norwegian economy
- DNB is well positioned to deliver on financial ambitions



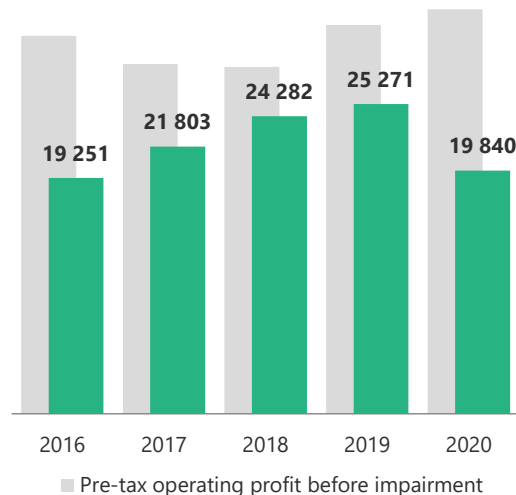
Solid earnings despite impact of the pandemic

- Total income up 2.8 per cent compared with 2019
- Earnings affected by reduced net interest income (NII) due to the lowered NOK key policy rate, and higher impairment provisions
- Return on equity impacted by yet-to-be distributed dividend for 2019

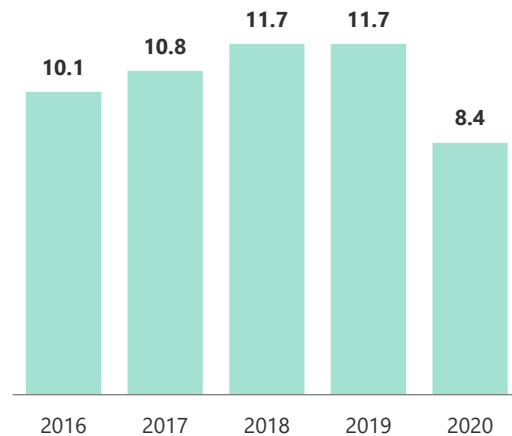
Total income
NOK million



Profit for the year
NOK million

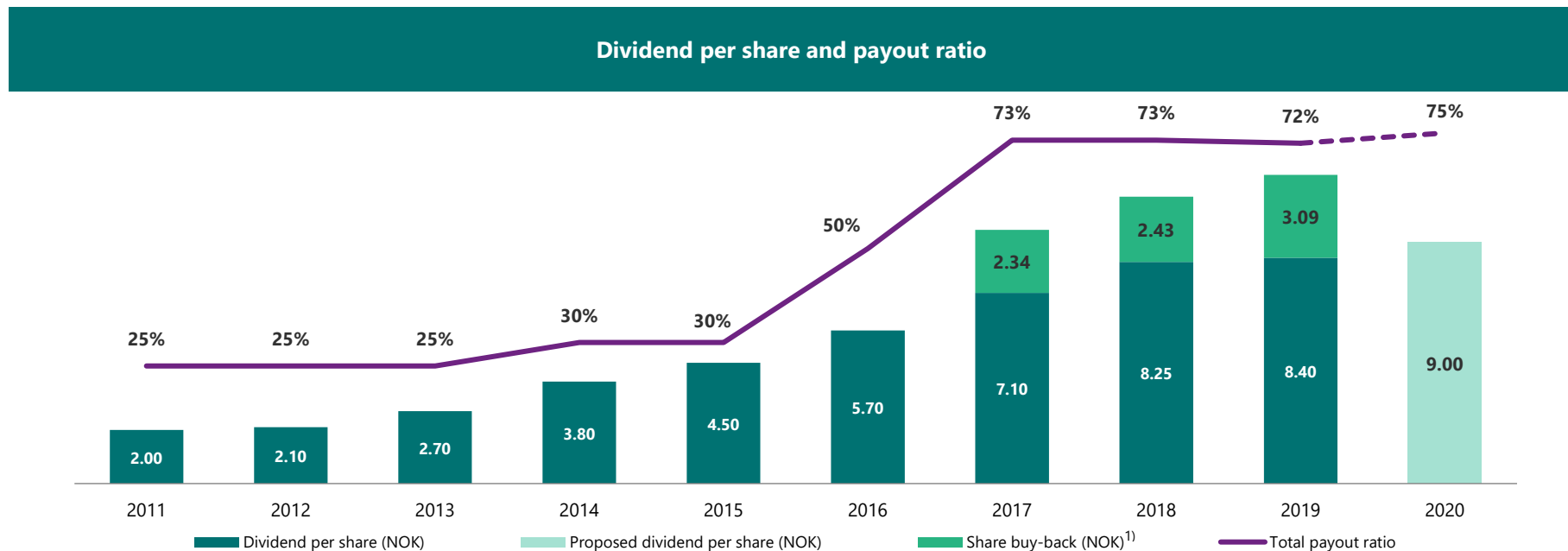


Return on equity
Per cent



Delivering on our dividend policy reflects our robust capital position

- Cash dividend per share of NOK 8.40 for 2019 to be paid with an ex-dividend date of 24 February
- The Board of Directors will ask the AGM for an authorisation to distribute a dividend per share of up to NOK 9.00 for 2020 between 1 October and the 2022 AGM



1) Share buy-backs approved by both the Annual General Meetings (AGMs) and the Norwegian FSA based on the accounts for the year before.

Reaffirming our financial ambitions towards year-end 2023



CET1 ratio
> 17.1%¹⁾

Capital level

C/I ratio
< 40%

Key performance indicator

Payout ratio
> 50%

Dividend policy

1) Approximately supervisory authorities' expectation 31 December 2020 plus full Norwegian counter cyclical buffer requirement.

Norwegian society has shown its resilience in handling the pandemic

- Scandinavian countries are among the world's most digitalised societies, which makes the restrictions to limit the spread of the virus more effective
- A high level of trust in authorities among the population has, together with strong welfare policies, led to loyalty in following government guidelines

Digital society

Unique digital infrastructure

97 per cent
of Norwegians use the internet



3 per cent
of payments are made in cash



>80 per cent
fully-digital tax returns

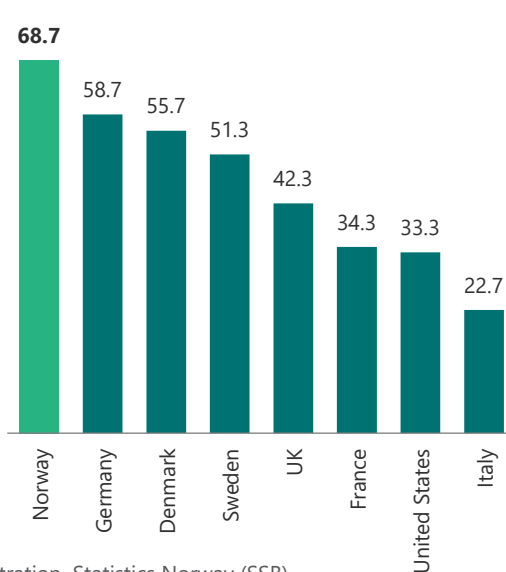


No. 1
on Governance in the
Network Readiness Index



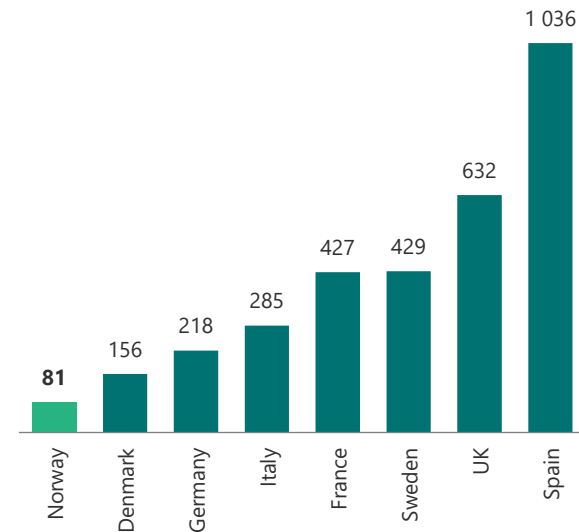
Trust in government

Share of people reporting to have confidence
in national government, per cent



COVID-19 cases

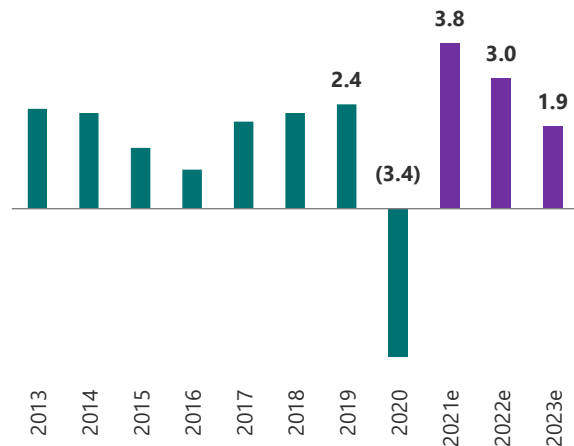
14-day cumulative number of cases per 100 000 persons,
as of 4 February



Norwegian macro provides a solid backdrop for delivering on financial ambitions

- The recovery of the Norwegian economy continues to progress
- Four 25 basis points key policy rate hikes expected by the end of 2023
- Registered full-time unemployment has fallen by close to two thirds since peaking in April 2020

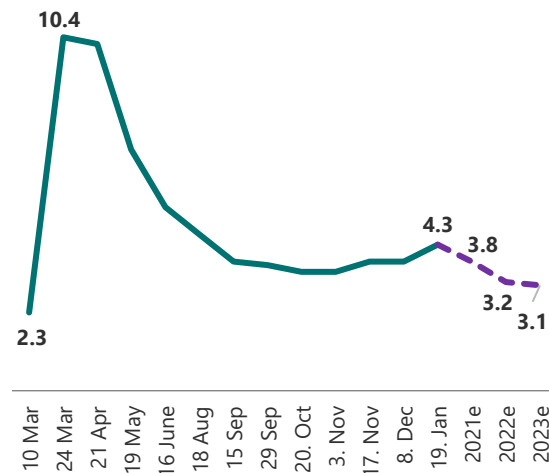
Mainland real GDP growth
YoY, per cent



Key policy rate
Per cent

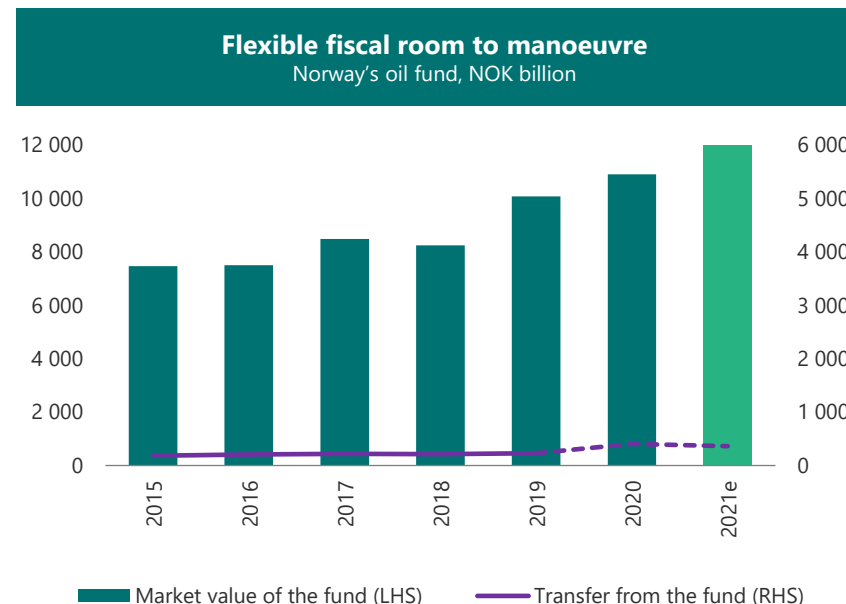
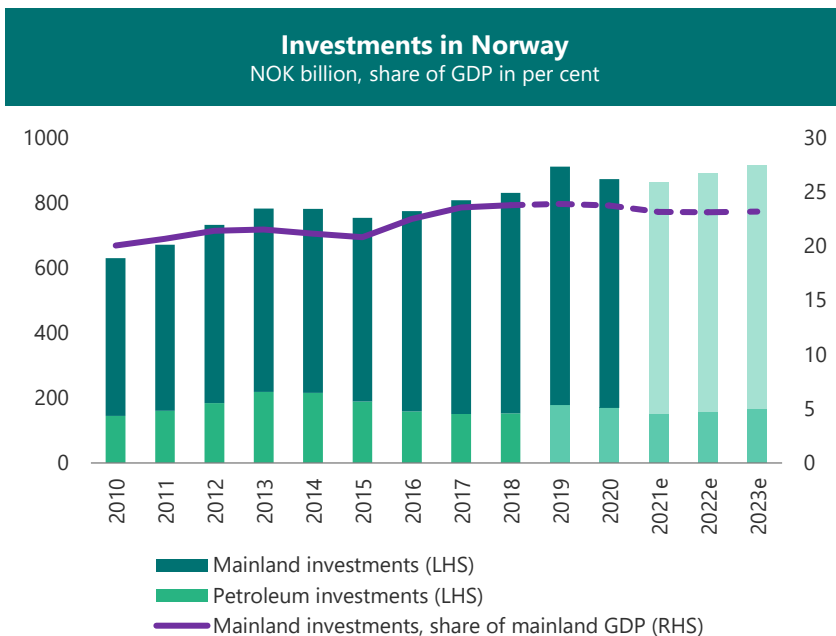


Registered unemployment
Full-time unemployment, per cent



Activity expected to pick up with ample fiscal room to manoeuvre if necessary

- Mainland investments expected to increase by 1.3 per cent in 2021 and 2.9 per cent in 2022 compared with 2020
- Expected use of the Norwegian oil fund in the national budget for 2020 is 3.9 per cent and 3.3 per cent for 2021¹⁾, leaving room for further measures



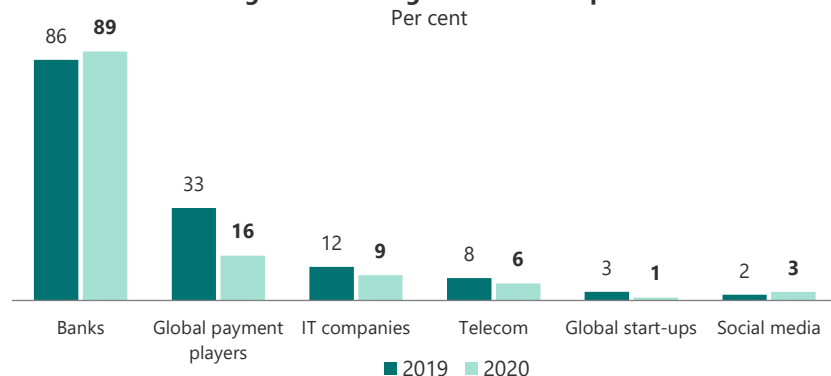
1) The fiscal rule states that transfers over time from the Norwegian Government Pension Fund Global (the oil fund) to the annual national budget should not be higher than the expected real return of the fund, estimated to 3 per cent p.a. (reduced from 4 per cent in 2017).

Our customers are at the centre of our way of doing business

Earning trust from our stakeholders

- Improved our **reputation** score to an all-time high¹⁾
- Headroom to required **capital level** at year-end has never been greater
- Credit ratings** confirmed at AA- (S&P) and Aa2 (Moody's)

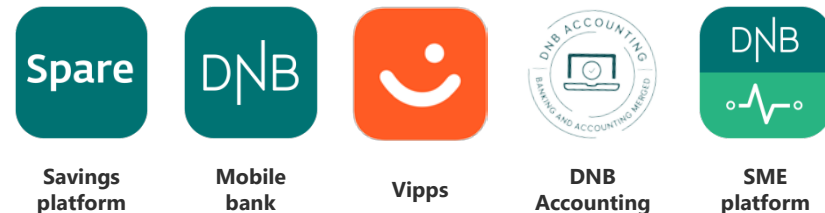
Trust in banks to deliver financial services in Norway has strengthened during the COVID-19 pandemic²⁾



Leading digital customer channels

- Continuously **improving our digital customer channels** to stay ahead of increasing customer expectations
- 3 of the top 5** financial apps in Norway's App Store originate from DNB
- Acquired Uni Micro, the third largest ERP and accounting vendor in the Norwegian market, with SpareBank 1 to **enhance our SME offering**

Digital customer channels



1) According to RepTrak, a score over 70 equals well-liked. DNB scored 76.7 and has scored above 70 for more than two years.

2) Question asked: Which actors do you trust the most when it comes to delivering financial services going forward? Ipsos, >500 respondents, June 2019 and November 2020.

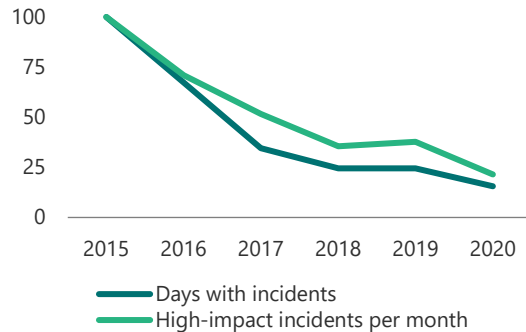
Strengthening our technology platform as a competitive advantage

Modernising our core

- Untangling our core and build API layers
- Securing our long-term pace of innovation
- Ensuring stable and secure operations

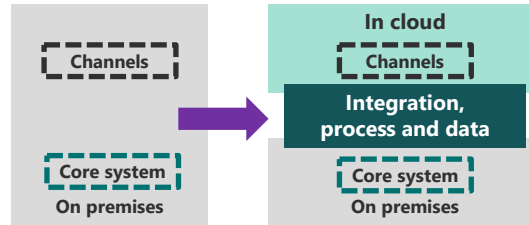
Continuously improving the stability of our operations

Indexed, 2015 as base year



Accelerating our cloud transformation

- Digitalising across our value chain
- Moved our customer channels to cloud to enable faster time-to-market for our applications



Journey towards faster tech-enabled development

2019: First step | Front-end applications

- Integrated IT with business units for improved delivery speed and better customer experience

2020: Second step | Infrastructure & applications

- Established framework and scaled-up agile technology units with end-to-end responsibility for improved speed and quality in IT delivery

2021 – onwards | Execution

- Build and further strengthen our engineering culture to improve efficiency and competitiveness

DNB plays a proactive role in the transition to a more sustainable future

Ensuring a positive impact and contribution to society through four core ambitions

1

DNB FIGHTS FINANCIAL CRIME AND PROMOTES A SAFE, DIGITAL ECONOMY

- **Ensuring compliance** included among the prerequisites for the Group's long-term operations
- Continuously **develop our competence**
- **Prevented digital fraud worth** NOK 1.2 bn in 2020

2

DNB PROVIDES LOANS AND INVESTMENTS FOR SUSTAINABLE GROWTH

- Leader on initiatives such as the Poseidon Principles to **accelerate client transition**
- **Innovative ESG products, services and advice** across our customer segments

3

DNB IS A DRIVING FORCE FOR EQUALITY AND DIVERSITY

- **Frontrunner within diversity and inclusion**, ranking no. 1 among European financials¹⁾
- Internal goal of **gender balance** (40-60) at manager levels, target met for top three levels in 2020²⁾

4

DNB HELPS CUSTOMERS MANAGE AND UNDERSTAND THEIR OWN FINANCES

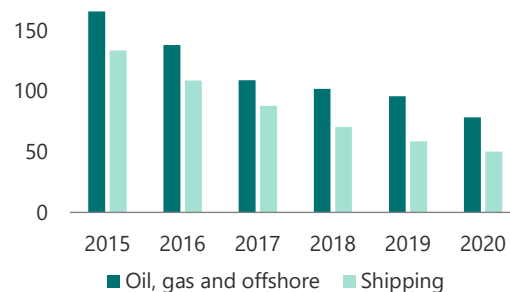
- Encouraging **women to close the savings gap** through #girlsinvest campaign
- 120 000 completed *A valuable lesson* modules in 2020, promoting awareness of **personal finances** among young people

Aligning our business to support the Paris Agreement

- Climate-neutral operations since 2014
- ESG integrated in credit process & equity research
- Increasingly measure our indirect carbon footprint
- Guardrails on financing of certain sectors
- DNB Group has >NOK 40 billion in green funding³⁾

Gradually balancing our portfolio enables capital allocation to the energy transition

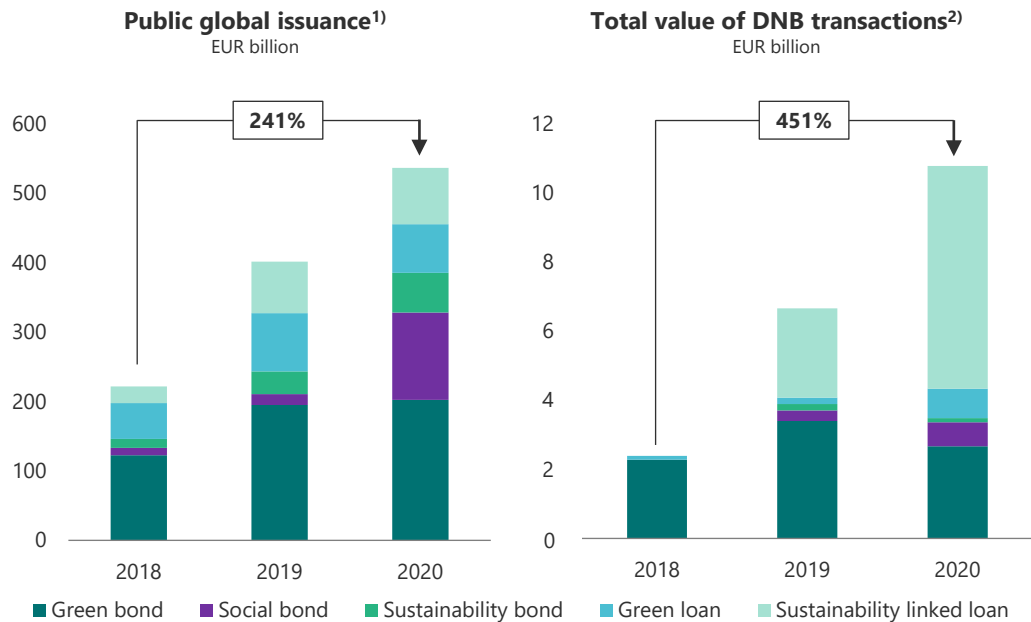
Net exposure at default, NOK billion



1) According to the Financial Times ranking of 15 000 employers, with DNB ranking no. 4 among all companies.
 2) 41.5 per cent female managers at levels 1-3, 39.5 per cent at levels 1-4.
 3) Green covered bonds issued by DNB Boligkreditt.

Advising and mobilising capital for our customers in the ongoing transition

Experiencing a strong interest in sustainable financing



DNB has the customers, competence, ambition and products to play a proactive role

- Develop our competence and products while working together with our customers to find new solutions
- DNB actively engages in new regulatory frameworks, such as the EU Action Plan on Sustainable Finance
- Innovative sustainable financing solutions and strategies

Odffjell's NOK 850 million Sustainability-Linked Bond (SLB)



- First SLB in the Nordics and the global shipping industry
- Financial terms of the bond are linked to Odffjell's target of reducing the carbon intensity of their controlled fleet by 50 per cent by 2030, compared to 2008-levels
- DNB acted as the Joint Lead Manager and Sustainability Structuring Advisor

1) Volume represents only public transactions listed in Bloomberg, and does not accurately describe market growth as many loan transactions are not public.

2) Transaction volume, not adjusted for the number of participating banks in each transaction.

Sources: Bloomberg, DNB Markets

DNB towards 2023

- Results 2020
- Financial ambitions
- The Norwegian economy
- DNB is well positioned to deliver on financial ambitions



Results DNB Group

Fourth quarter 2020



Solid quarter with strong underlying performance

Financial summary

NOK billion

	4Q20	3Q20	4Q19
Total income	13.3	13.4	13.2
Total operating expenses	(6.5)	(5.7)	(6.1)
Pre-tax operating profit before impairment	6.8	7.7	7.1
Profit for the period	5.3	5.5	5.9

Return on equity

8.9%

CET1 capital ratio

18.7%

Total income

Strong development. Net interest income (NII) and net commissions and fees (NCF) increased from 3Q20, by 1.9 and 5.1 per cent respectively

Total operating expenses

Operating expenses affected by non-recurring items (NOK 400 million AML-related administrative fine) and seasonal high activity

Profit for the period

Positively affected by low tax rate in the quarter, partly offset by impairment provisions primarily in the offshore portfolio

Capital

270 basis points headroom to supervisory authorities' expectation, despite dividend of NOK 8.40 for 2019 and NOK 9.00 authorisation for 2020

Return on equity 8.9 per cent

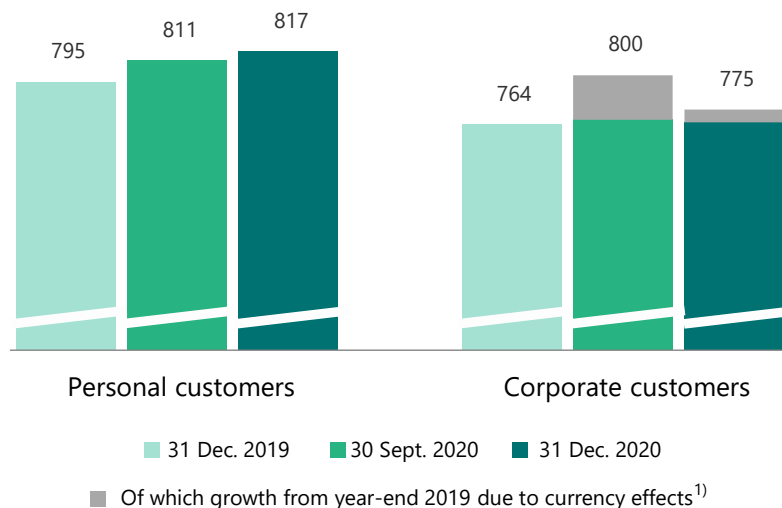
Negatively effected by M-t-M¹⁾ adjustments, non-recurring expense items, impairment provisions and deferred dividends, partly offset by low tax rate

1) M-t-M: Mark-to-market.

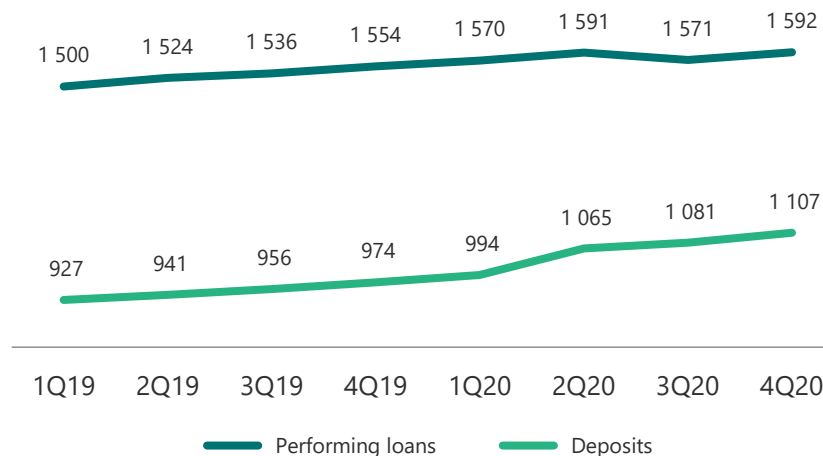
Increased loans to personal and SME customers and growth in deposits

- Loan growth in the quarter was -1.1 per cent (+0.3 currency adjusted)
 - Personal customers: +0.8 per cent
 - Corporate customers: -3.1 per cent (-0.2 currency adjusted), of which SME +1.3 and large corporates -6.7 (-1.8 currency adjusted)
- Deposit growth in the quarter was 0.7 per cent (2.2 currency adjusted)

Loans per customer segment
NOK billion



Average loans and deposits in the customer segments
NOK billion



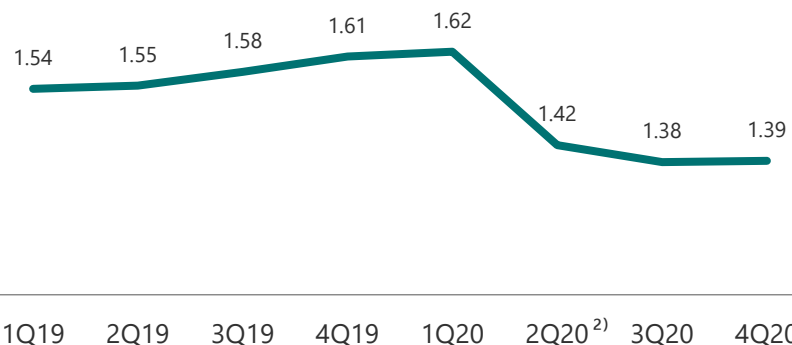
1) Currency effects from year-end 2019: NOK 32 billion as at 30 September 2020 and NOK 9 billion as at 31 December 2020.

Increased net interest margin

- Increased net interest margin (NIM) and stable combined spreads, despite portfolio mix effects from increased deposit-to-loan ratio and loans to personal customers growing more than loans to corporate customers
- Changes in spreads reflecting the 11 basis points increase in average NOK money market rates

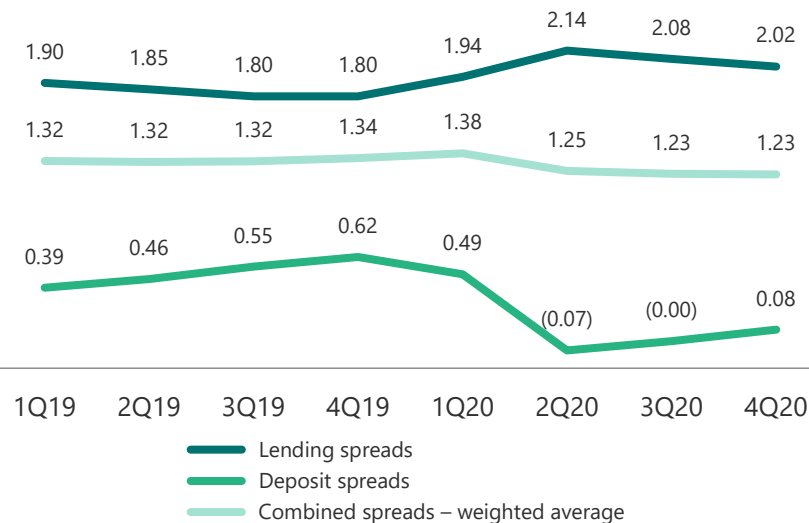
Net interest margin¹⁾

Per cent



Spreads in customer segments

Per cent



1) Total net interest income relative to average loans and deposits in the customer segments.

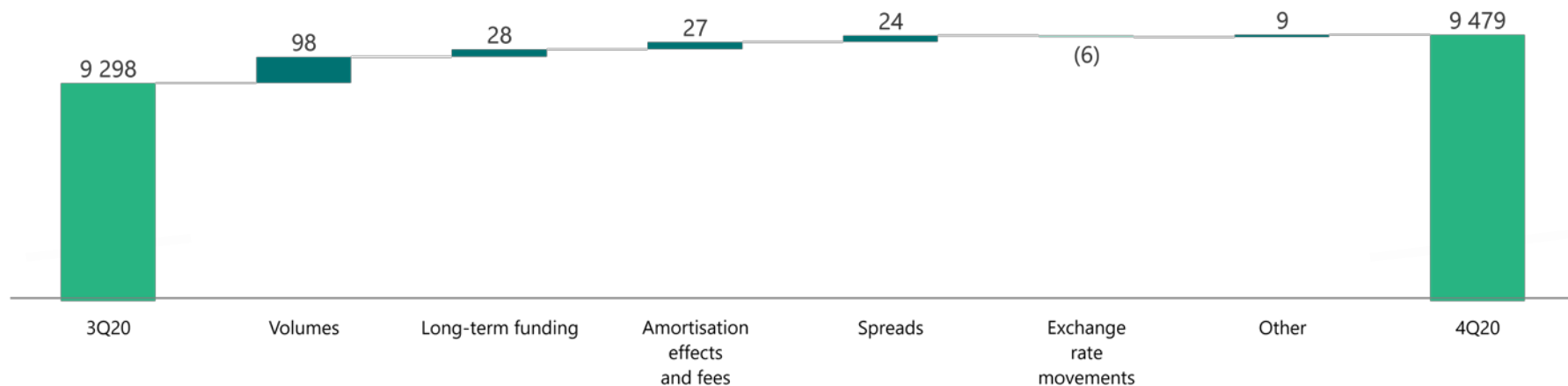
2) Norges Bank reduced the key policy rate from 1.50 to 0.25 per cent in March and to 0 per cent in May.

Increase in net interest income driven by volume growth

- Funding costs positively impacted by higher deposit-to-loan ratio
- Loan volume at year-end is 1.2 per cent lower than the average for the quarter

Net interest income from 3Q20 to 4Q20

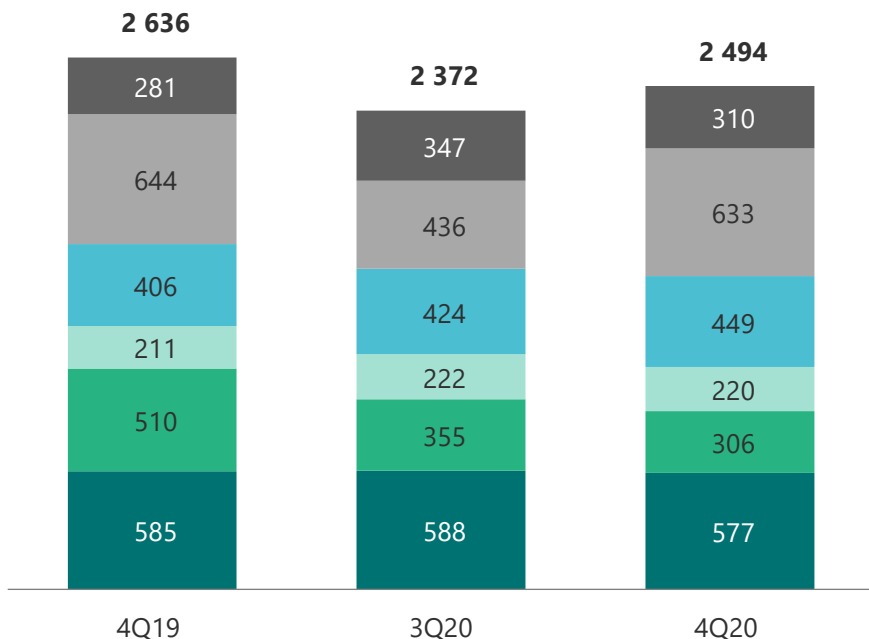
NOK million



Income from commissions and fees – strong performance despite COVID-19

Commissions and fees

NOK million



- **Real estate broking**

Continued solid development in a seasonally slow quarter – income up 10 per cent from 4Q19

- **Investment banking services**

High activity in ECM, M&A¹⁾ and brokerage – income in line with strong 4Q19

- **Asset management and custodial services**

Increased asset values and net inflow – income up 11 per cent from 4Q19

- **Guarantee commissions**

Up 4 per cent from 4Q19

- **Money transfer and banking services**

Affected by low international travel activity – income down 40 per cent from 4Q19

- **Sale of insurance products**

Positive underlying performance²⁾

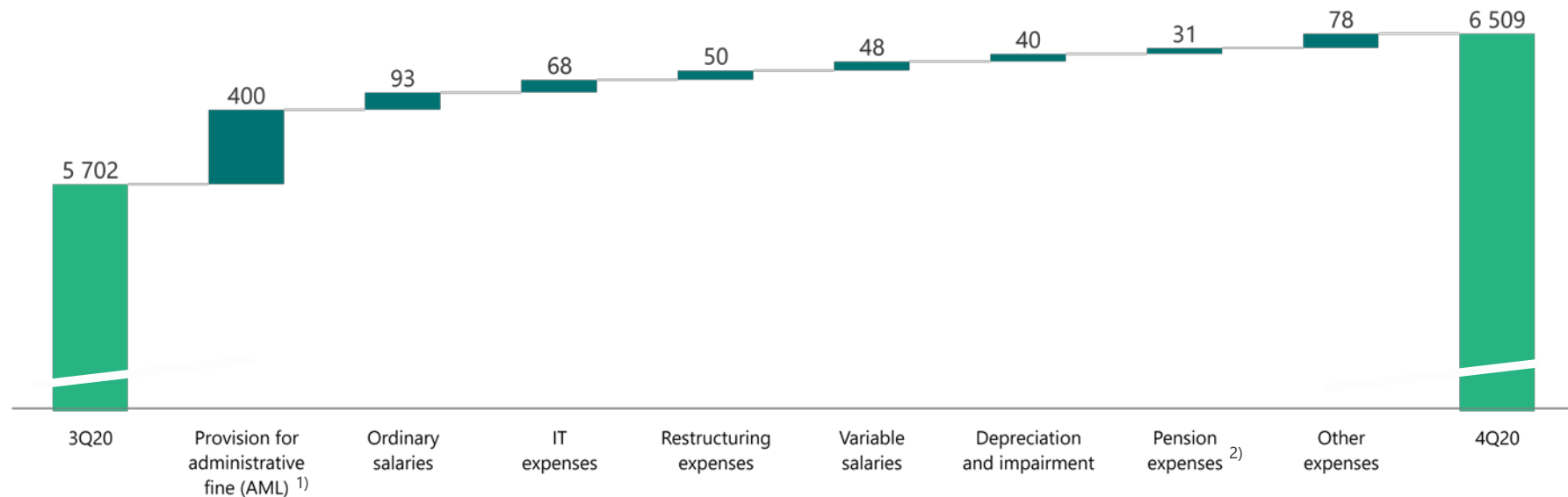
1) ECM: Equity capital markets. M&A: Mergers and acquisitions.

2) 4Q20 income includes a negative NOK 29 million one-off adjustment related to the acquisition of KLP Bedriftspensjon.

Operating expenses affected by non-recurring items and seasonally high activity

Operating expenses from 3Q20 to 4Q20

NOK million



1) Possible administrative fine from Finanstilsynet (the Financial Supervisory Authority of Norway) following supervisory inspection.

2) The scheme is partly hedged, a gain of NOK 101 million recognised in mark-to-market adjustments in net gains on financial instruments. The pension expenses in the quarter estimated to approx. NOK 60 million above normal level.

Overall robust and well-diversified portfolio, impairment provisions mainly within the offshore segment

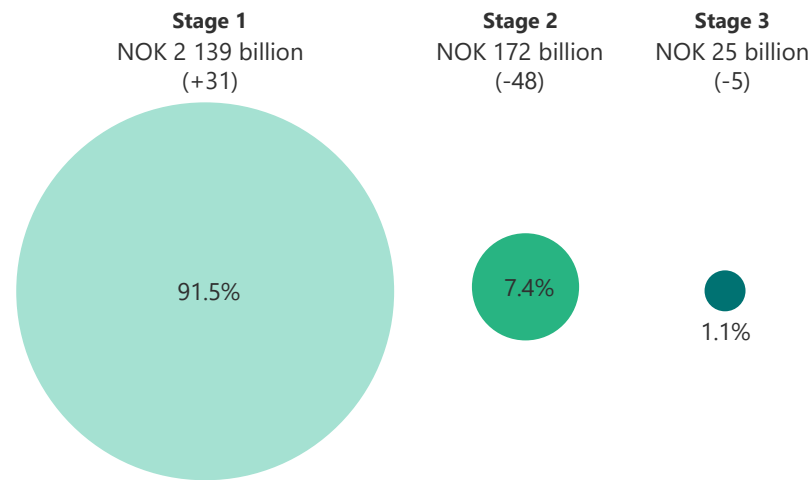
- Solid portfolio quality with 98.9 per cent in stages 1 and 2
- Further reversals of impairment provisions in the personal customers industry segment reflected the robust portfolio and a more positive development than expected

Impairment of financial instruments per industry segment

NOK million

	4Q20	3Q20	4Q19
Total	(1 250)	(776)	(178)
Of which:			
Personal customers			
- Stages 1 and 2	175	380	23
- Stage 3	(36)	(20)	(104)
Corporate customers^{*)}			
- Stages 1 and 2	389	636	426
- Stage 3	(1 777)	(1 773)	(522)
^{*) Of which oil, gas and offshore:}			
- Stages 1 and 2	125	294	221
- Stage 3	(1 465)	(1 331)	(580)

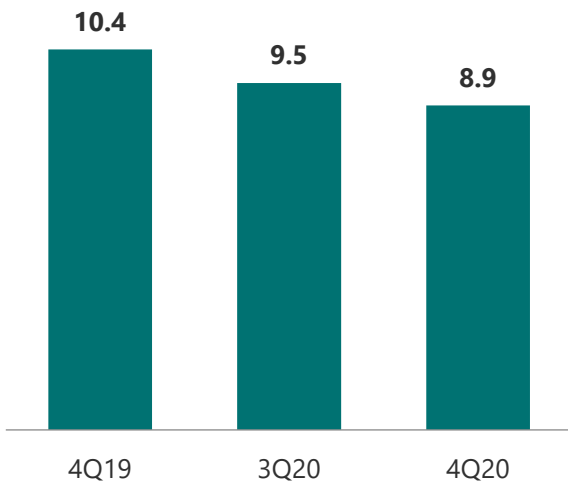
Maximum exposure (on- and off-balance sheet items), net of accumulated impairment provisions



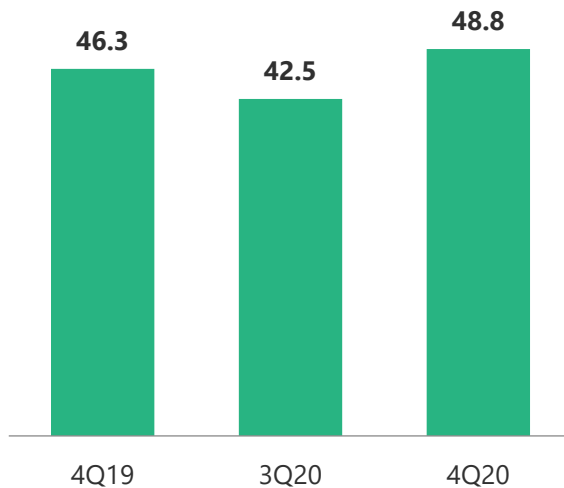
Strong underlying operating performance

- Tax rate for the quarter ended at 10.3 per cent and full-year 2020 ended at 17.7 per cent
- Expected tax rate for 2021 and 2022 reduced to 22 per cent

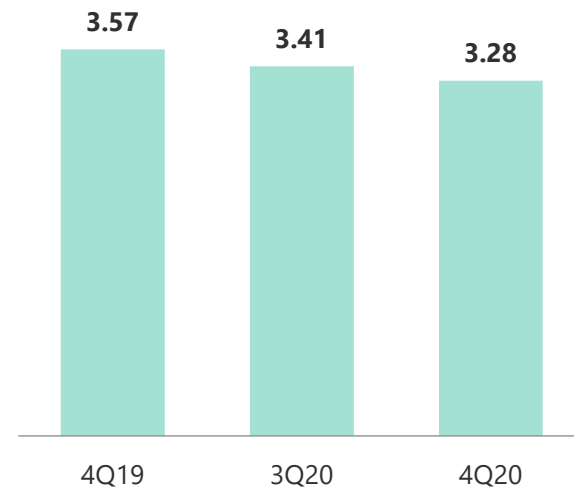
Return on equity
Per cent



Cost/income ratio
Per cent



Earnings per share
NOK



Reaffirming financial ambitions

- OVERRIDING TARGET:
- CAPITAL LEVEL:
- KEY PERFORMANCE INDICATOR:
- DIVIDEND POLICY:

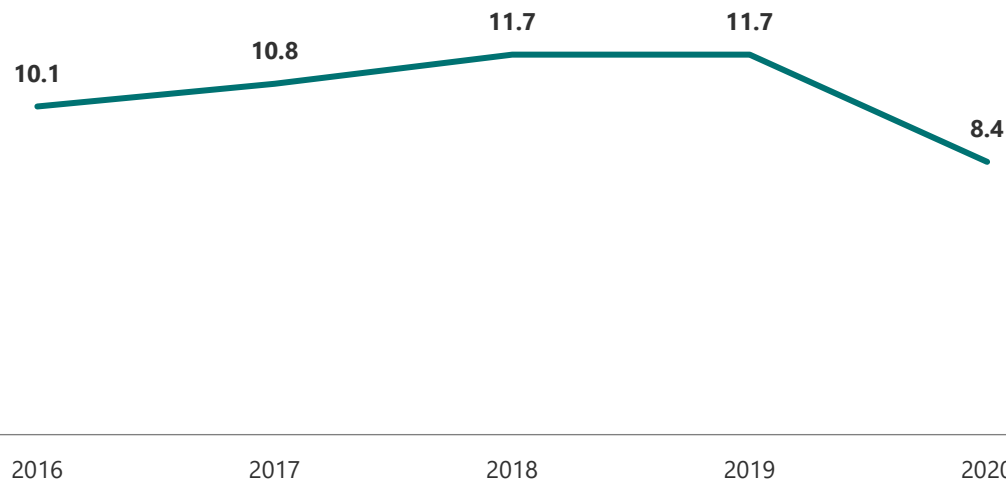
Return on equity > 12 per cent
CET1 capital ratio > long-term supervisory authorities' expectation
Cost/income ratio < 40 per cent
Payout ratio > 50 per cent



The continued positive development in ROE is temporarily affected by COVID-19...

Return on equity

Per cent



COVID-19 effects on ROE elements

1

Net interest income negatively affected by NOK zero rate policy

2

Some **net commission and fees** areas hit by travel restrictions

3

Somewhat lower **costs** in areas such as IT development and travel

4

Cost of risk negatively affected by higher impairment provisions in 2020

5

Extraordinary high **equity** due to deferred dividends

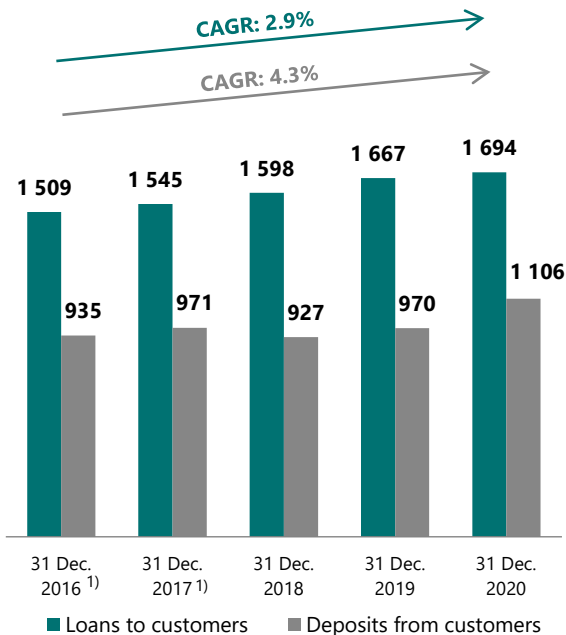
... nonetheless, our long-term financial ambitions are reaffirmed



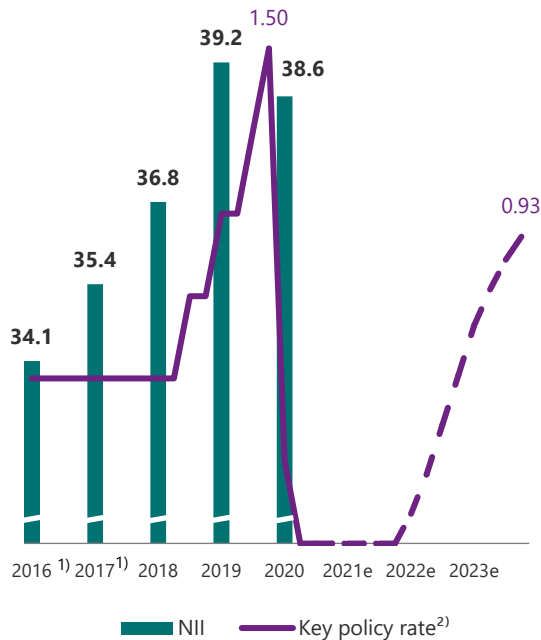
Positive jaws, lower cost of risk and efficient use of capital to deliver on our financial ambitions

Further NII growth driven by volumes and increase in NOK interest rates

Loan and deposit growth NOK million



NOK rate changes impact NII NOK billion



Key points moving forward

- Annual loan growth of 3–4 per cent while maintaining a sound deposit-to-loan ratio
- NOK key policy rates expected to increase from first half of 2022 (four interest rate hikes of 25 basis points through 2022 and 2023)
- Historically a 25 basis-point change in key policy rate and subsequent repricing has impacted NII by approx. NOK 1 billion annually
- Lower spreads on funding expected to compensate for MREL³⁾ costs

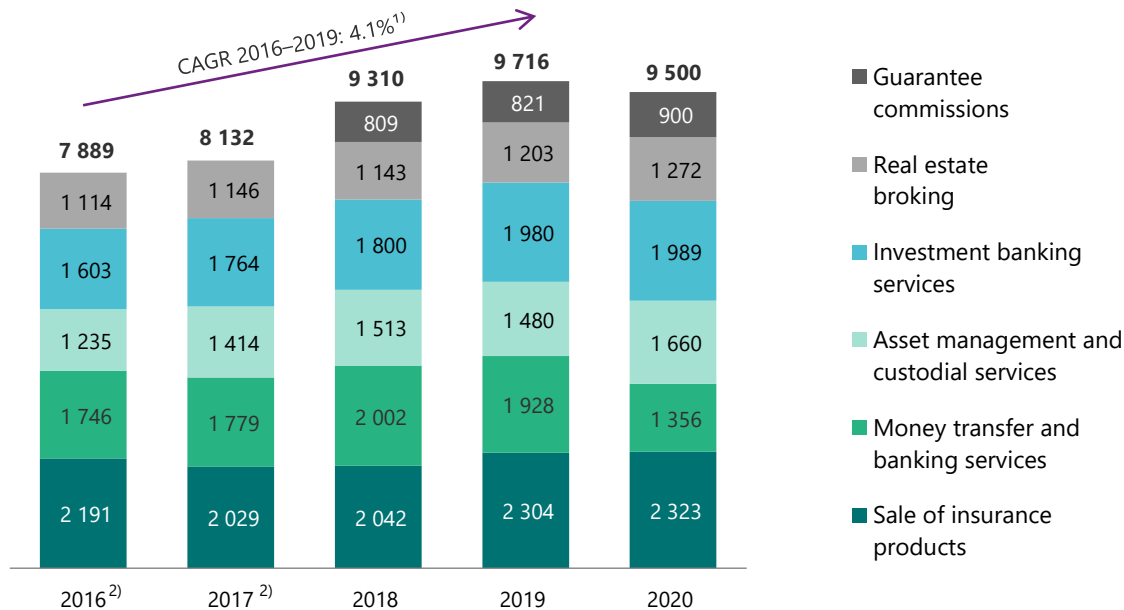
1) Excluding the Baltics.

2) Source: Norges Bank.

3) MREL: Minimum Requirement for own funds and Eligible Liabilities.

Resilient NCF performance during the pandemic, stronger growth expected with rebound of the economy

Commissions and fees NOK million



Key points

- Ambition: ~4–5 per cent annual growth
- Money transfer and banking services to bounce back in line with increased activity after COVID-19
- Increased sales and profitable growth from non-life insurance

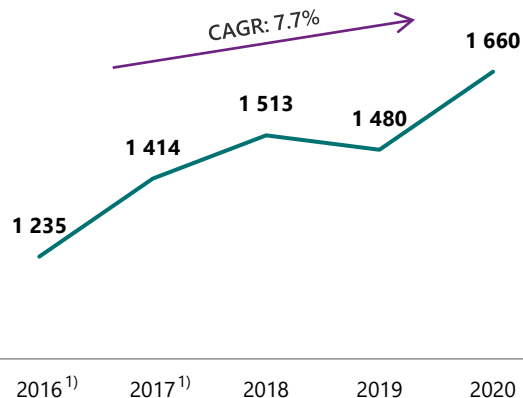
1) Excluding guarantee commissions.

2) Excluding the Baltics.

Strong momentum in commissions and fees in key product areas

Asset management and custodial services

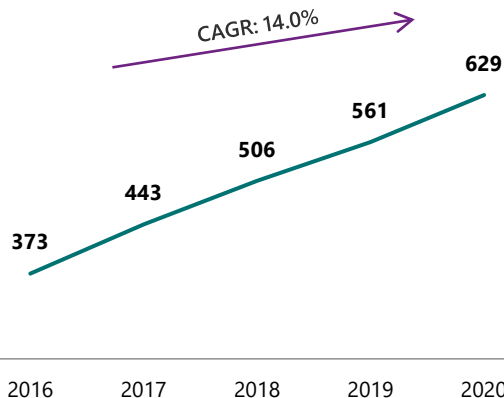
NOK million



- Strong market growth in Norway
- Retail market share growth mutual funds
- Aim to make the Spare app the largest savings and investment platform in Norway

Defined-contribution pensions

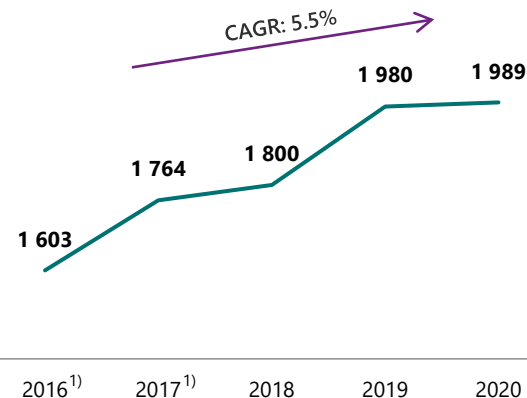
NOK million



- Become market leader on 'own pension account' (EPK) introduced 1 February 2021
- Lower fee level on EPK expected to be offset by volume growth and other measures

Investment banking services

NOK million

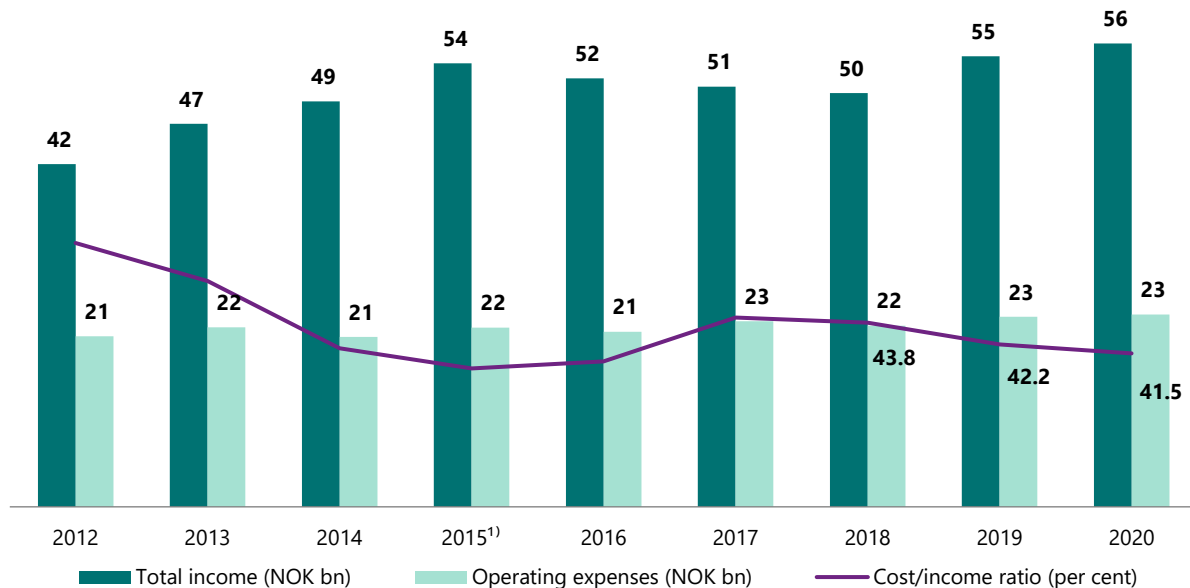


- Increased focus on Originate-and-Distribute strategy
- Continue to strengthen the Nordic platform
- Sustainable/ESG finance

1) Excluding the Baltics.

Continued positive development in cost/income and our ambition stands

Cost initiatives and positive jaws to improve cost/income level



Committed to delivering on cost control

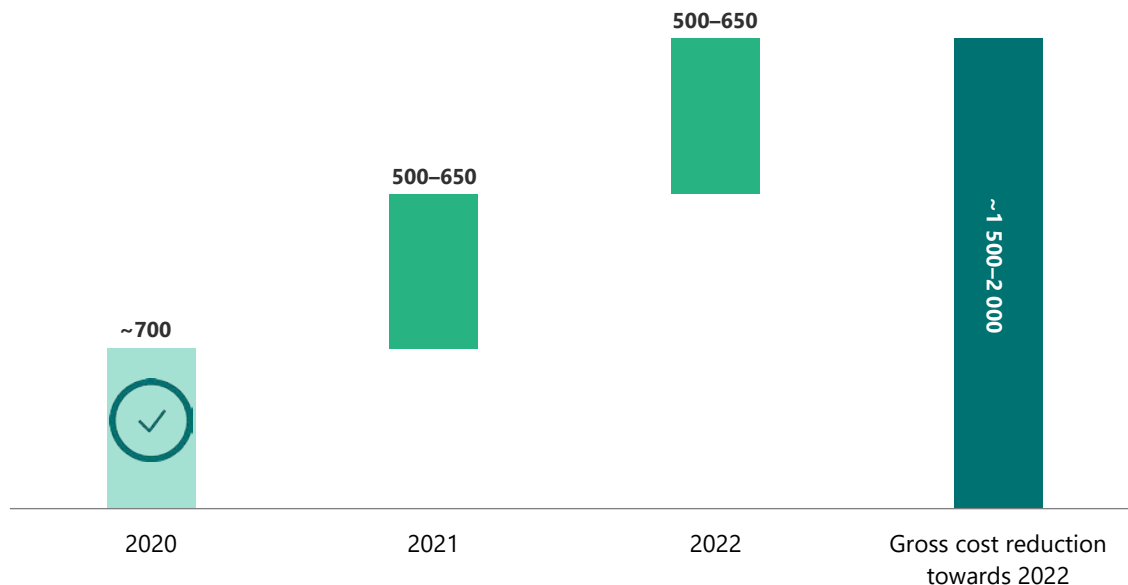
- Digitalisation and other cost initiatives to contain wage and cost inflation, including IT development and compliance
- In combination with income growth this will ensure positive jaws

1) Operating expenses adjusted for large one-offs.

Strong cost control with cost initiatives to contain wage and other cost inflation

Accumulated cost initiatives 2020–2022 communicated at CMD 2019

NOK million, not adjusted for inflation



Ongoing cost initiatives

Finalised in 2020

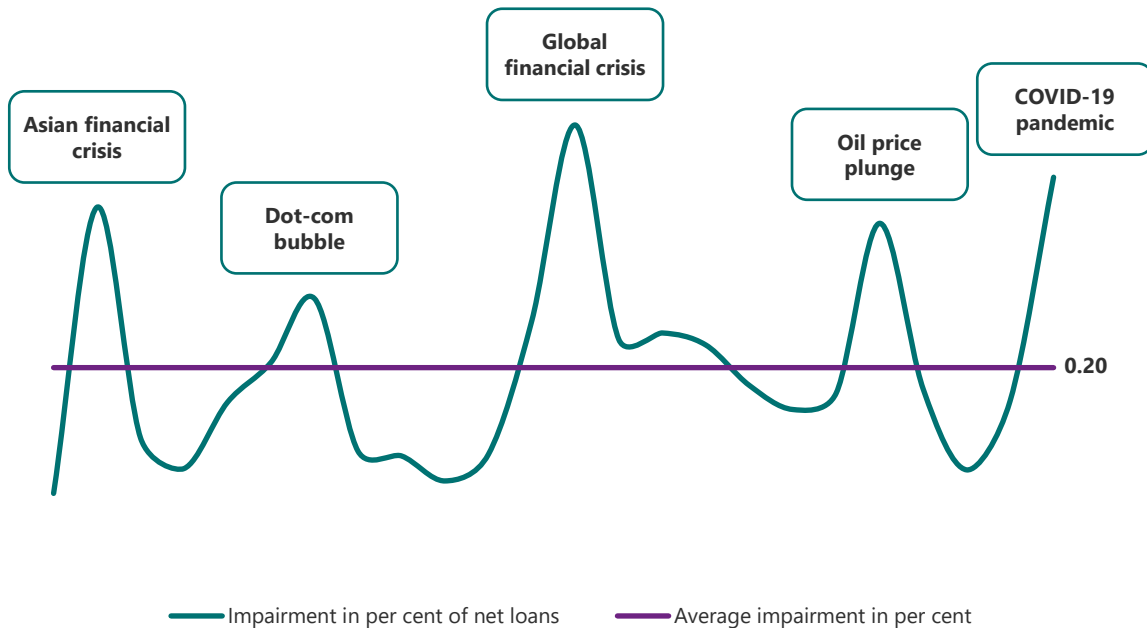
- Discontinued agreement with Norwegian postal service to provide banking services
- Automated mortgage loan process
- Successfully completed structural changes

Planned for 2021–2022

- Structural changes
- Automation
- Distribution
- IT – new ways of working

Stronger Norwegian macro and solid portfolio expected to reduce cost of risk

Impairment losses 1997–2020

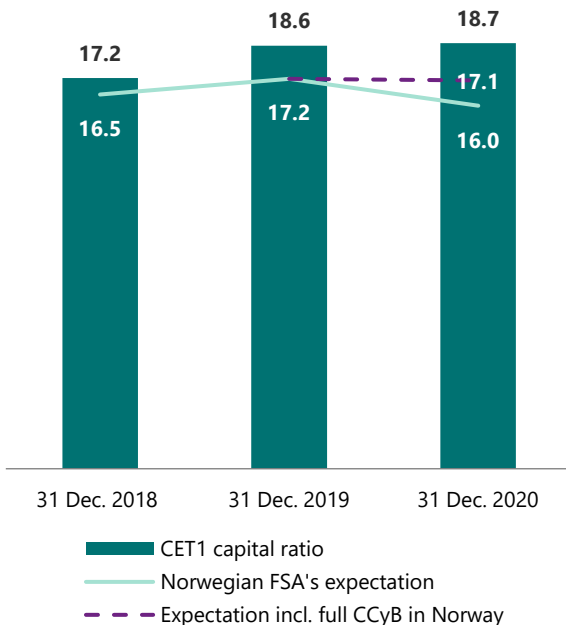


Key points

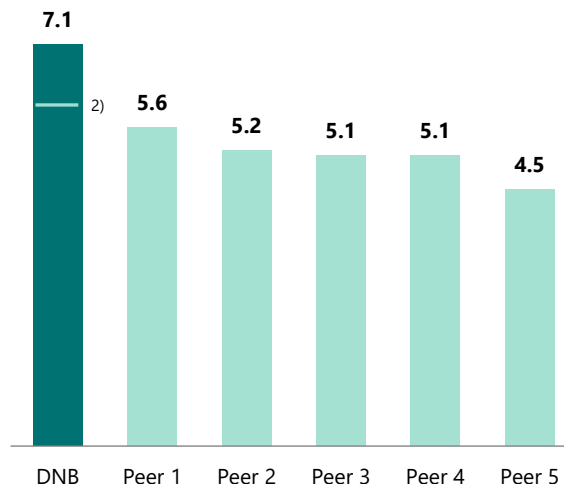
- Stronger Norwegian macro backdrop
- Solid and diversified portfolio
- Reduced exposure to cyclical industries
 - Shipping
 - Oil, gas and offshore
- Increased share of loans to personal customers and SMEs from 2019 to 2020
 - Personal customers up from 51.0 to 51.3 per cent
 - SMEs up from 21.4 to 23.0 per cent

All time high capital headroom

Common Equity Tier 1 (CET1) capital ratio¹⁾ Per cent



Leverage ratio Nordic peers at year-end 2020¹⁾ Per cent



Key points moving forward

- Increased Norwegian Systemic Risk Buffer Requirement from 31 December 2020: Net impact +20 basis points
- Pillar 2 Requirement (1.8 per cent, minimum NOK 19.4 billion) and Pillar 2 Guidance (1.0 per cent) unchanged in 2021
- Full Norwegian CCyB³⁾ (from 1 to 2.5 per cent) assumed in capital planning – first increase expected to take effect in 2022
- CRR II/CRD V expected implemented second half of 2021 with a minor net positive effect
- Limited impact from Basel IV output floor expected

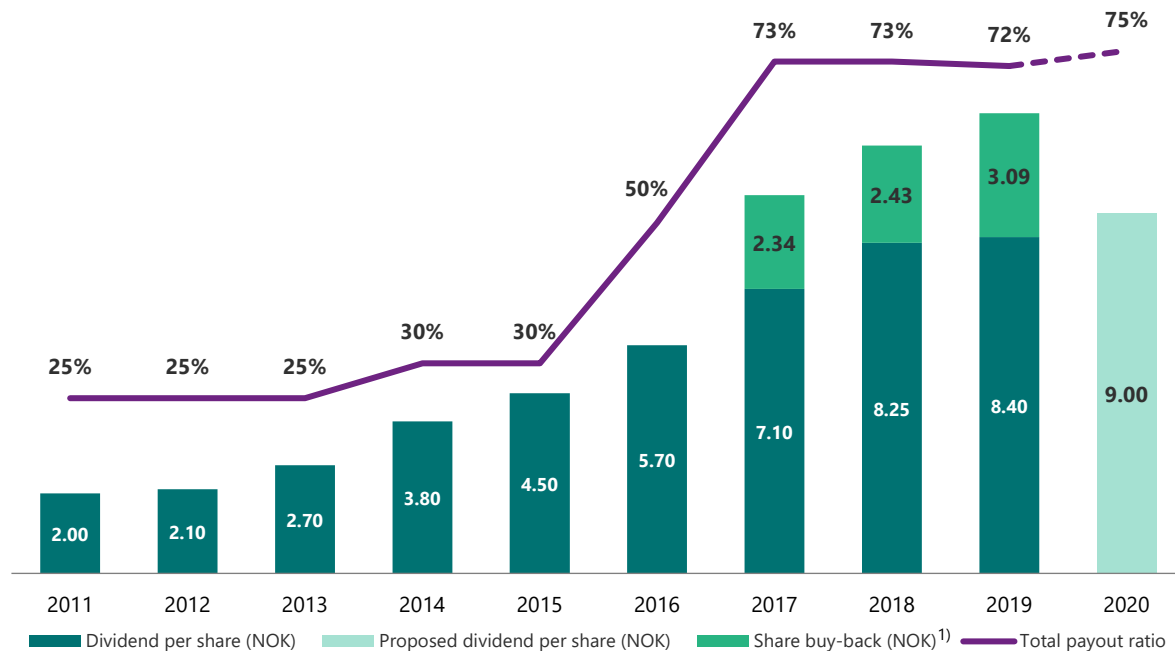
1) Proposed NOK 9.00 dividend per share authorisation for 2020 is not included in the ratios.

2) Requirement at 6 per cent.

3) CCyB: Countercyclical capital buffer.

Profitability and solid capital position enable delivery on our dividend policy

Dividend per share (DPS) and payout ratio



Key points

- Dividend policy still stands: Excess capital will be distributed through dividends and share buy-backs
- Dividend policy: Payout ratio > 50 per cent in cash dividends
- Ambition of annual increase in DPS
- Prioritise delivering on dividend policy of more than 50 per cent in cash dividend before considering share buy-backs
- 2019 dividend: NOK 8.40 per share
Ex-date 24 February 2021
- 2020 dividend: The Board of Directors to ask the 2021 AGM for authorisation to distribute up to NOK 9.00 per share between 1 October 2021 and the 2022 AGM

1) Share buy-backs approved by both the Annual General Meetings (AGMs) and the Norwegian FSA based on the accounts for the year before.

Long-term financial ambitions reaffirmed

Financial ambitions

Return on equity
> 12%
 Overriding target

CET1 ratio
> 17.1%¹⁾
 Capital level

C/I ratio
< 40%
 Key performance indicator

Payout ratio
> 50%
 Dividend policy

Main drivers for reaching our ambitions

- 1 Growth in NII
- 2 Growth in NCF
- 3 Strong cost control
- 4 Lower cost of risk
- 5 Capital efficiency

1) Approximate expectation from supervisory authorities as at 31 December 2020 including full Norwegian counter cyclical buffer requirement.

Reaffirming financial ambitions

- OVERRIDING TARGET:
- CAPITAL LEVEL:
- KEY PERFORMANCE INDICATOR:
- DIVIDEND POLICY:

Return on equity > 12 per cent
CET1 capital ratio > long-term supervisory authorities' expectation
Cost/income ratio < 40 per cent
Payout ratio > 50 per cent



High-quality portfolio and attractive opportunities for further profitable growth

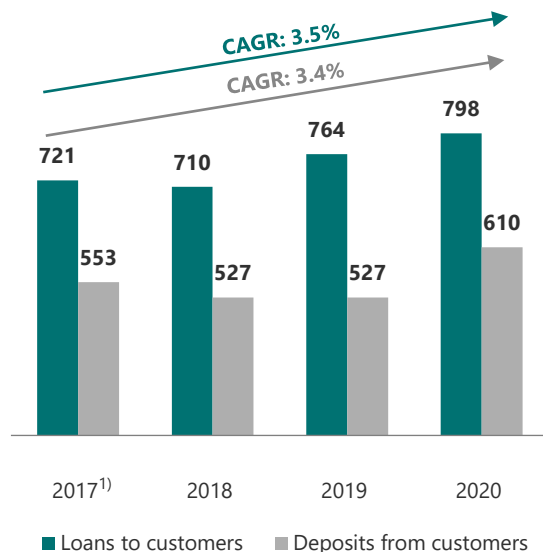
- High-quality portfolio
- Continued profitable growth within:
 - SME
 - Large corporates
 - Renewables and the green transition



Corporate Banking has consistently delivered profitable growth

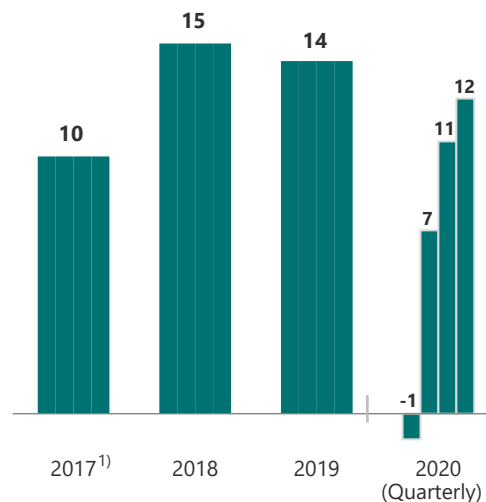
Loans and deposit

Annual average, NOK billion



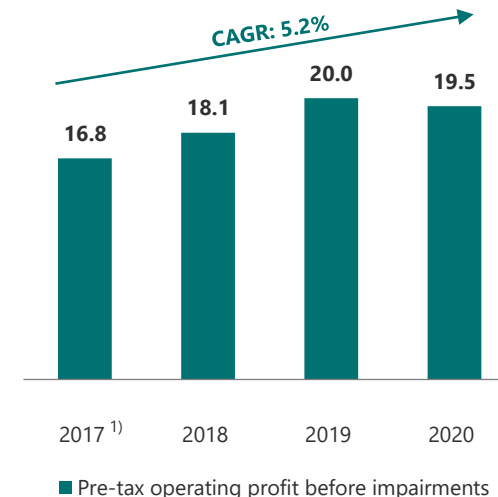
Return on allocated capital

Annual average, per cent



Operating profit

NOK billion

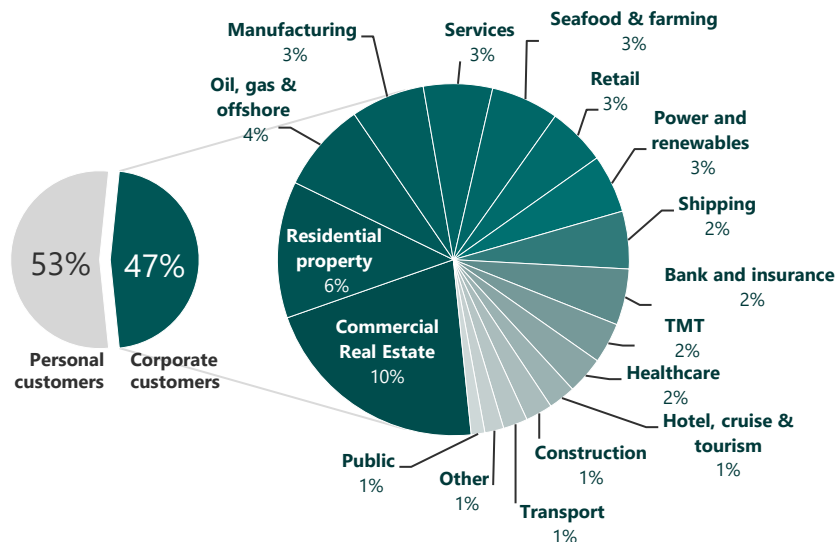


1) Excluding the Baltics.

Diversified and high-quality portfolio

Exposure by industry segment

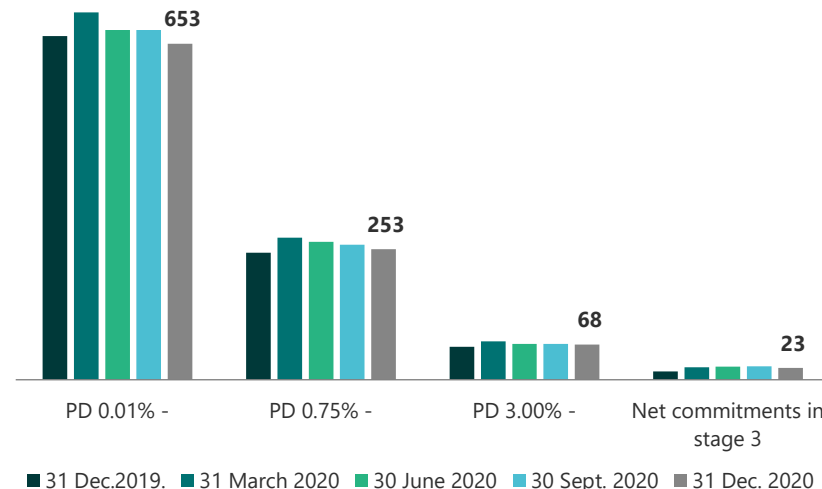
DNB total, per cent of net EAD¹⁾



- Corporate customers portfolio accounting for 47 per cent of DNB's net EAD
- Diversified industry mix

Corporate customer portfolio by risk classification

Net EAD, NOK billion



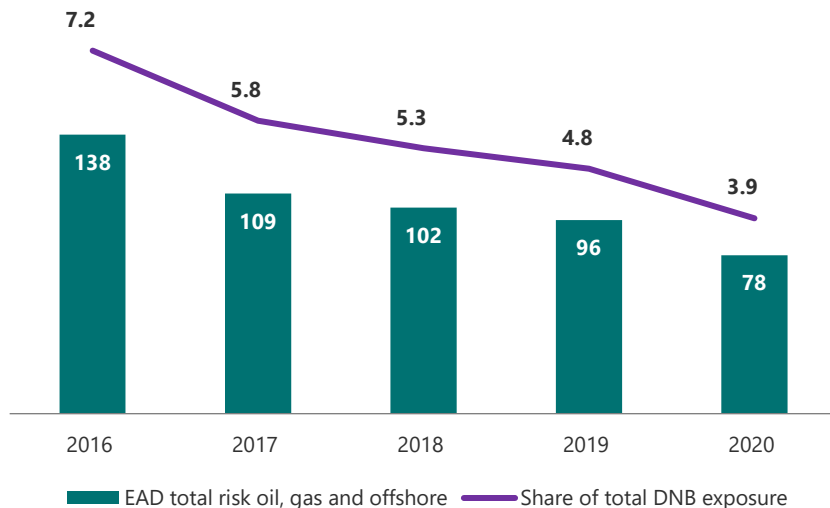
- 90 per cent low and medium risk in corporate customers portfolio
- No significant changes in risk profile from 2019

1) Net EAD: Exposure at default net of accumulated impairment provisions.

Oil-related industries limited to less than 4 per cent of total net EAD in DNB

Oil, gas and offshore – small and decreasing proportion of the total DNB portfolio

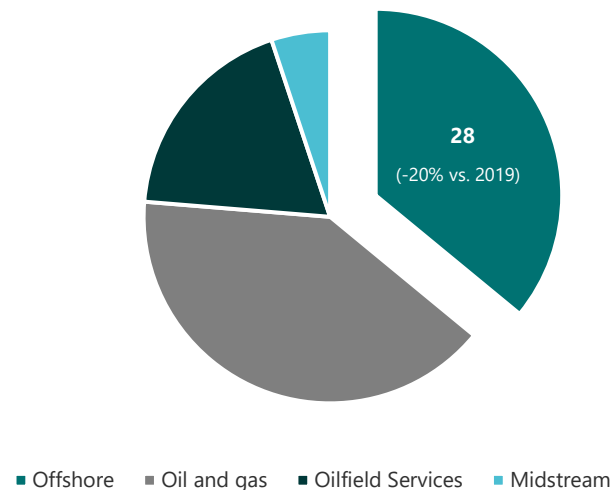
Oil-related net EAD of total DNB portfolio (NOK billion and per cent)



- More than 2/3 of oil and gas exposure in low-risk category
- 2/3 of oil and gas exposure related to the North Sea, with robust structures
- Income generation from the oil-related industries remain stable

Oil, gas and offshore – net EAD NOK 78 billion

Net EAD, NOK billion

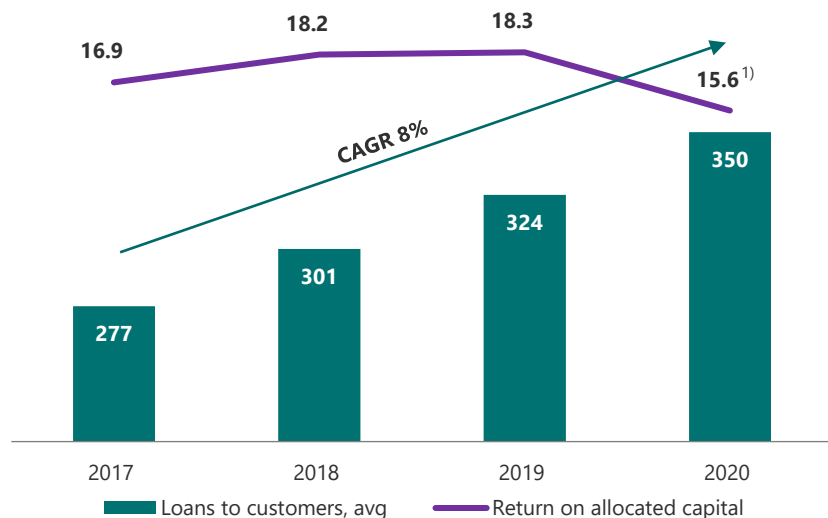


- Offshore most challenging segment – only 1.4 per cent of net EAD
- Stage 3 coverage ratio of 39 per cent in offshore
- Improving supply/demand balance expected

SME segment an important driver for further profitable growth

Steady growth and high profitability in SME segment

NOK billion and per cent



Key drivers for further profitable growth

- Norway's leading start-up bank – 40 per cent market share
- Expanding product range and penetration – growth in IBD/FICC, pensions, and non-life insurance
- 11 regional hubs in Norway
- Modernising key digital channels
- DNB Finans: revenue up 12 per cent and profits up 15 per cent in 2020

1) Reduced profitability in 2020 primarily due to effects from reductions in NOK policy rates.

Significant potential as we scale the accounting offering for SMEs



Partnering with SpareBank 1 to acquire 67 per cent of Uni Micro – third largest ERP and accounting system provider in Norway

Existing cash-flow and customer base (~9 per cent market share)

Customised for DNB's SME customers – simplifying banking and accounting

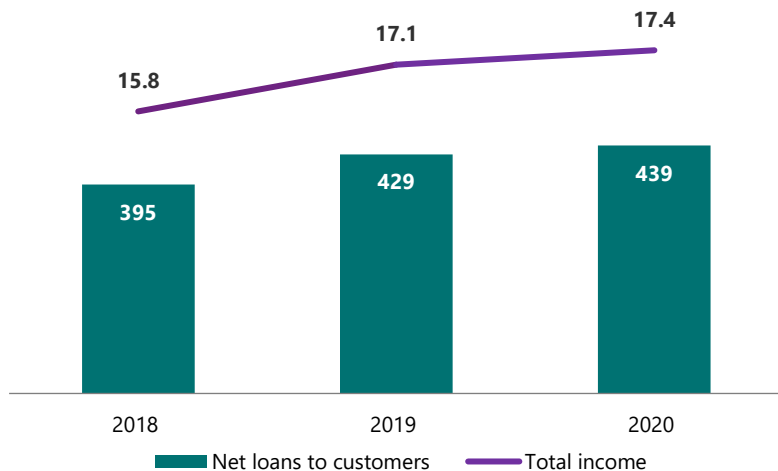
Partnership representing considerable distribution power and strategic opportunities in the increasing industry convergence; ERP vs. banking

Strengthening DNB's digital channels, customer acquisition, and cross-selling opportunities

Well positioned for profitable growth within large corporates

Stable LC portfolio while increasing income

Annual average, NOK billion



Attractive opportunities for profitable growth

- Geographical: The Nordics and particularly in Sweden where we grew operating income by 6 per cent in 2020
- Products: Further capitalisation on product platform – IBD/FICC and pension in particular
- Industries: healthcare, technology, and seafood
- Renewables and the transition to a low-carbon economy

DNB aims to play a leading role in the transition to a more sustainable future

Nordic players well positioned and making significant investments to transition

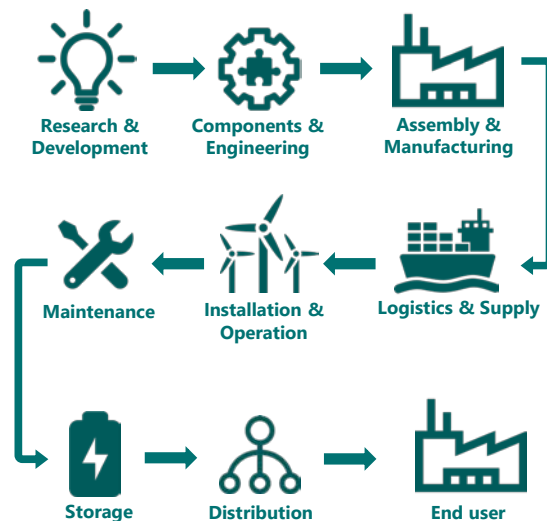
Norway and the Nordics to play a key role in the green transition

Energy companies increasing investments substantially

Significant investments in real estate energy efficiency

Electrification of the transport and construction sector

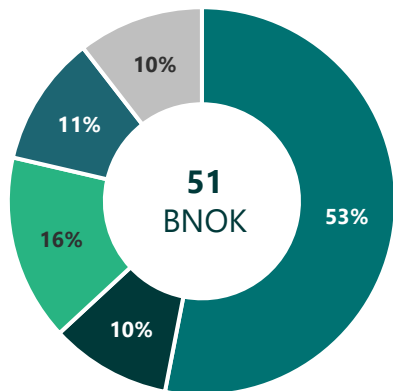
CB well positioned throughout the whole value chain



Building on a strong and diversified renewables portfolio

Diversified and based on proven technology

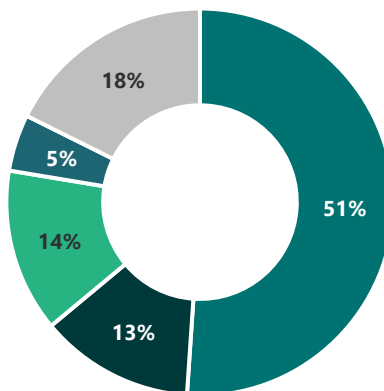
Energy mix, per cent of net EAD



■ Hydro ■ Solar ■ Wind ■ Infrastructure ■ Other

OaD model applied

Income split, power and renewables



■ Lending ■ IBD ■ FICC ■ Deposit ■ Other

DNB proactively capitalising on green investment wave



Advising on and enabling client transitions

- Utilising industry expertise within selected industries
- 40 per cent** of cars financed in Norway is electric
- Maritime sector: ship recycling and the Poseidon Principles



Utilising an established market position

- Arranged green and sustainability linked debt transaction of almost **NOK 100 billion** in 2020
- More than **NOK 10 billion** in equity transactions within renewable energy and clean technology



Delivering on targets by 2025

- NOK 450 billion** in renewables financing
- NOK 130 billion** in 'green real estate' financing

High-quality portfolio and attractive opportunities for further profitable growth

- High-quality portfolio
- Continued profitable growth within:
 - SME
 - Large corporates
 - Renewables and the green transition



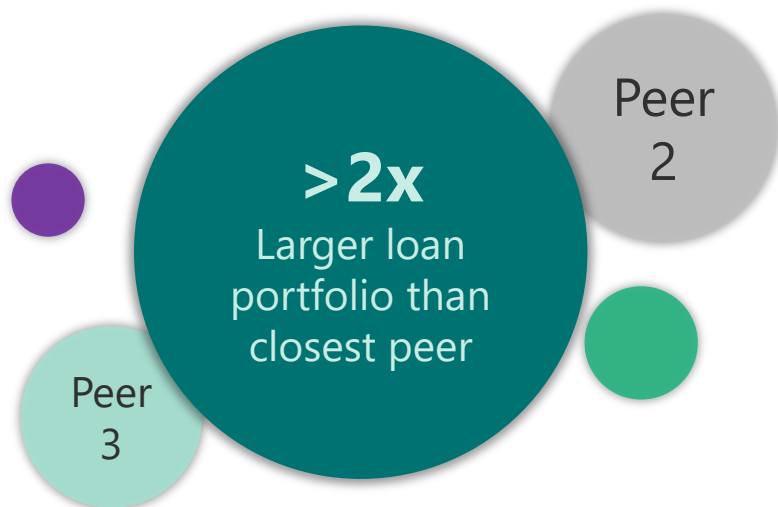
Solid foundation for continued profitable growth

- Market leader delivering profitable growth
- Digital leader leveraging omnichannel capabilities
- Strategic partnerships as part of our business model to grow net commission and fees

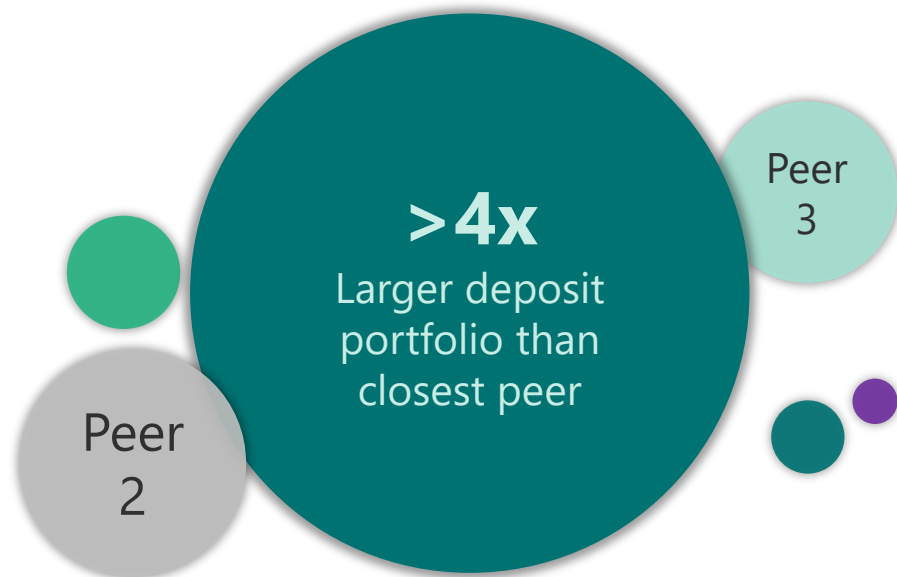


Strong performance in a challenging year

Lending



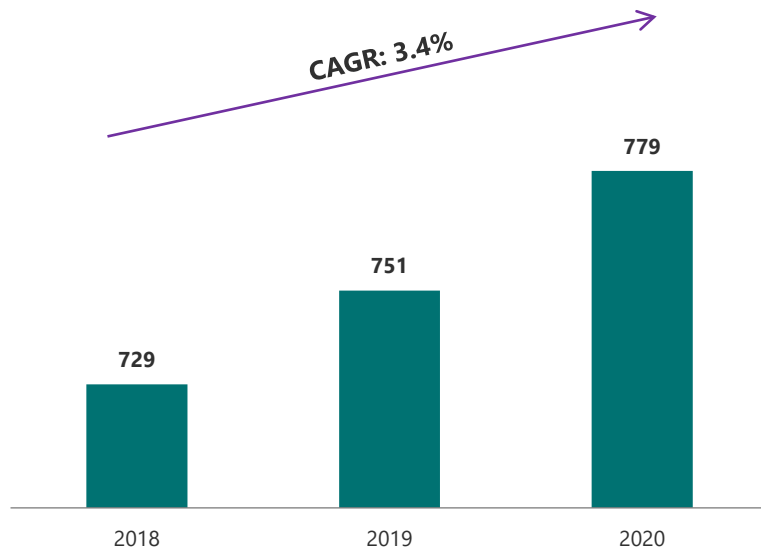
Deposits



Profitable growth in high-quality mortgage portfolio

Growth in mortgage portfolio¹⁾

End of year, NOK billion



Solid base for continued profitability

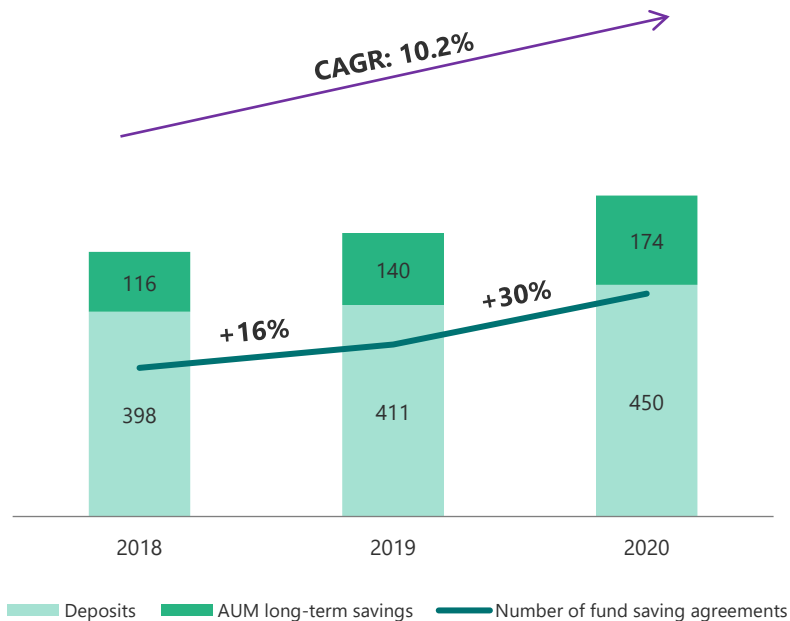
- **Maintained our leading position**, despite being frontrunner on pricing in a zero-interest-rate environment
- **Highly flexible portfolio** – with >90 per cent floating interest rate – increased YoY
- **Solid portfolio quality:**
 - Marginal LTV distribution: 98 per cent of our total portfolio below 75 per cent loan-to-value
 - Consistently low loan losses, stable throughout 2020

1) Excluding volumes transferred to DNB Livsforsikring.

Foundation for long-term profitable growth through savings agreements

Growth in savings and deposits¹⁾

End of year, NOK billion



Growth in all product areas

- 9.5 per cent growth in deposits
- 24.2 per cent volume growth in Assets under Management (AUM)
- 105 per cent increase in number of sold mutual fund savings agreements as in 2019
- 36 per cent increase in volume from mutual fund savings agreements in 2020

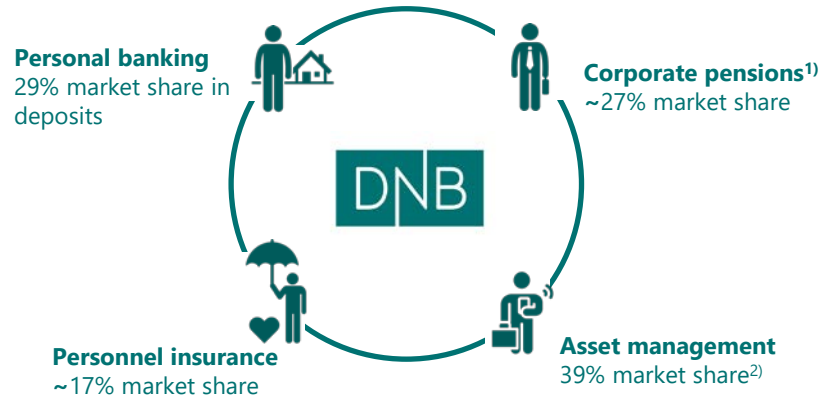
1) Excluding volumes in DNB Luxembourg.

Well positioned as preferred savings and pension provider in a fast-growing market

One-stop-shop: Synergies in overlapping customer base

Market shares per 3Q20

Market leader positions in corporate pensions, life insurance, asset management and personal banking



1) Defined-contribution pensions.

2) Statistics by the Norwegian Fund and Asset Management Association (VFF).

Growing the overall market

Award-winning marketing power – stimulating public dialogue to achieve all-time-high numbers of new savings customers



Increase in number of mutual fund savings agreements:

+33%



+27%



Market leading distribution – Spare no. 1 savings app in Norway

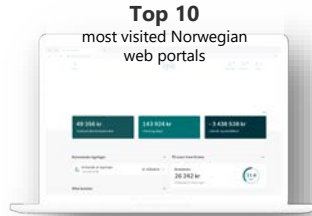


31%

of mutual fund savings agreements sold through Spare

World-class digital distribution channels

Cloud flexibility enables speed and scalability



4.7¹⁾



4.7¹⁾

Customer satisfaction

84²⁾

1) App Store rating.
2) Above 80 equals highly satisfied customers.

Capitalising on data investments



Machine learning algorithms enhance digital sales



Advanced segmentation rules increase conversion rate

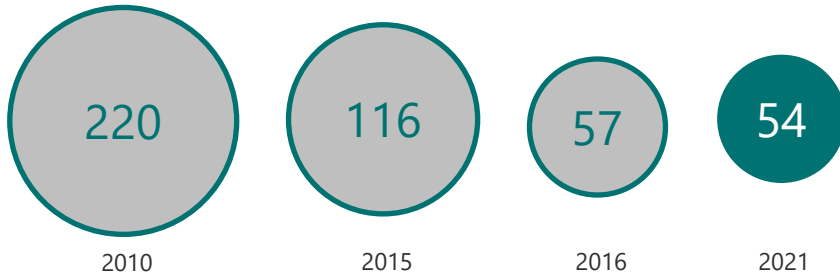


Personalised and event-driven CRM triggers more engagement

Continuous development of customer-centric, scalable and cost-efficient distribution

Increasing efficiency in physical distribution

Number of branches

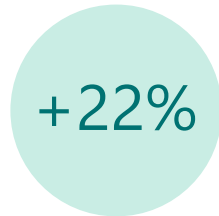


Full-time equivalents



2015 vs. 2020

Mortgage volume



2015 vs. 2020

Digital first, supported by humans

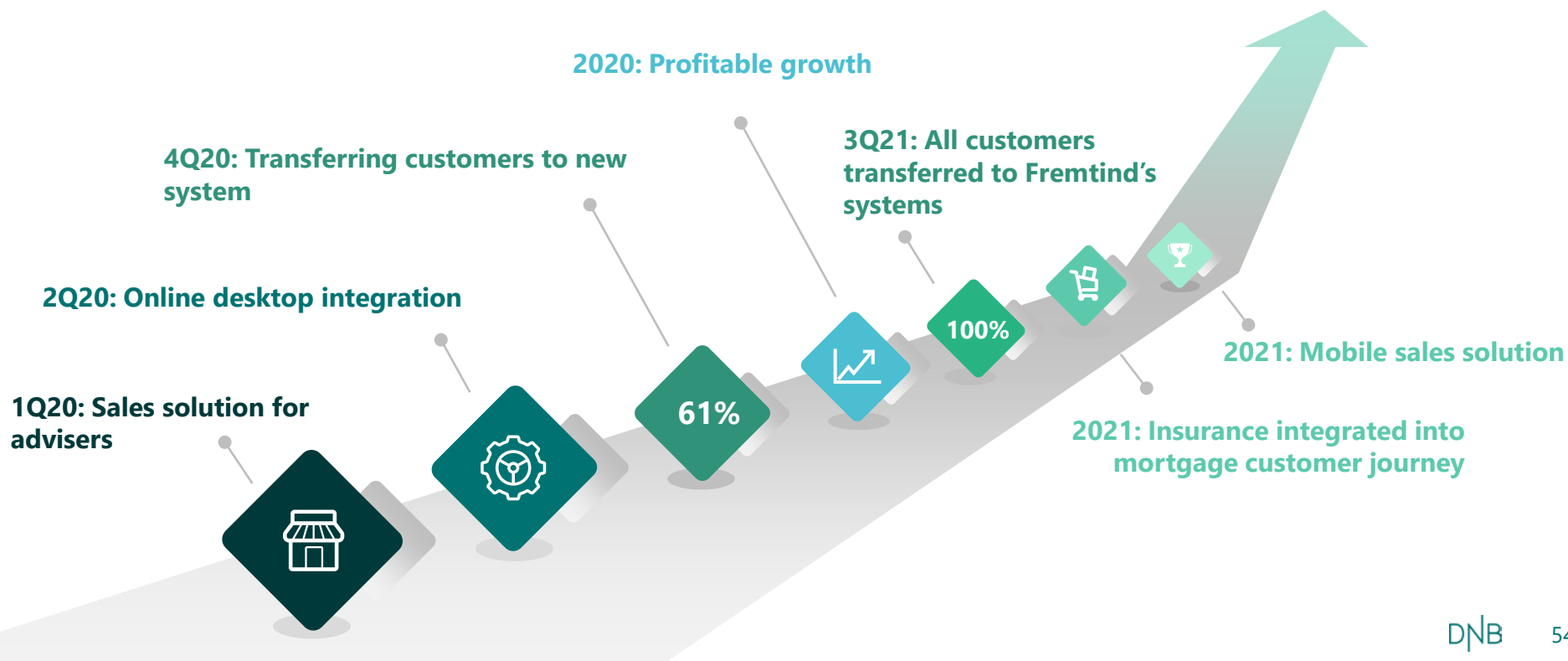
Main drivers of increased efficiency

- 66 per cent of mortgage applications submitted digitally in 2020
- 29 per cent of digitally submitted mortgage refinancing applications handled automatically
- 16 per cent reduction in incoming service inquiries to call centre
- 23 per cent of total inquiries handled by chatbot



On track to leveraging Fremtind's full range of offerings

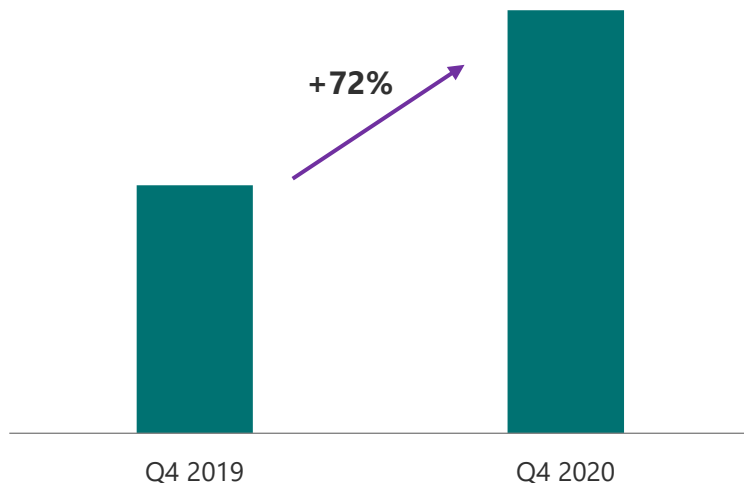
Leveraging Fremtind's infrastructure to boost sales and profitability



Steep increase in Vipps eCommerce – increasing use of DNB cards and accounts

eCommerce 2020

Volume



A strategic partner for growth in net commissions and fees

- Norway's most preferred brand
- ~85 per cent of the Norwegian population use the Vipps app¹⁾
- ~40 per cent growth in Vipps eCommerce users
- ~150 per cent growth in active Vipps eCommerce points-of-sale



45%

DNB's ownership
interest in Vipps



33%

DNB's share of
accounts registered
in Vipps

1) 13 years and older.

DNB leads the way with more digitalised and efficient real estate services

Digitalisation well underway pre-COVID-19

Samsolgt – DNB's digital real estate brokerage.
Developed functionality reused in DNB Eiendom



All agreements, contracts etc. to be signed
digitally




Bidding, acceptance and contract
meetings via mobile





Permanent positive COVID-19 effects

Welcome to house viewing!

COVID-19 precautions:

 We greet you with a smile instead of a handshake

 Appointment required – please book online

 Download the digital prospectus before or
when viewing



All-time-high results

2019 vs. 2020

Income

+7.7%

Profit

+32%

Sale per broker

+17%

Solid foundation for continued profitable growth

- Market leader delivering profitable growth
- Digital leader leveraging omnichannel capabilities
- Strategic partnerships as part of our business model to grow net commission and fees



Appendix

Income statement

NOK billion	4Q20	3Q20	4Q19	Change from 3Q20	Change from 4Q19
Net interest income	9.5	9.3	10.3	0.2	(0.9)
Other operating income	3.8	4.1	2.9	(0.3)	1.0
Total income	13.3	13.4	13.2	(0.1)	0.1
Operating expenses	(6.5)	(5.7)	(6.1)	(0.8)	(0.4)
Pre-tax operating profit before impairment	6.8	7.7	7.1	(0.9)	(0.3)
Impairment of loans and guarantees and gains on assets	(1.3)	(0.8)	(0.2)	(0.5)	(1.1)
Pre-tax operating profit	5.6	6.9	6.9	(1.4)	(1.4)
Tax expense	(0.6)	(1.4)	(1.0)	0.8	0.5
Profit from operations held for sale, after taxes	0.3	0.0	0.1	0.3	0.2
Profit for the period	5.3	5.5	5.9	(0.3)	(0.7)
Portion attributable to shareholders	5.1	5.3	5.6	(0.2)	(0.5)

Other operating income

NOK million	4Q20	3Q20	4Q19	Change from 3Q20	Change from 4Q19
Net commissions and fees	2 494	2 372	2 636	122	(142)
Customer revenues in DNB Markets	559	546	555	14	4
Trading revenues in DNB Markets	32	55	180	(23)	(147)
Hedging of defined-benefit pension scheme	101	41	0	59	101
Credit spreads on bonds	92	211	33	(119)	59
Credit spreads on fixed-rate loans	84	133	0	(49)	84
CVA/DVA/FVA	238	138	212	100	26
Other mark-to-market adjustments	738	448	(324)	290	1 061
Basis swaps	(152)	(363)	(361)	211	209
Exchange rate effects on additional Tier 1 capital	(1 508)	(391)	(742)	(1 117)	(766)
Net gains on financial instruments at fair value	184	819	(447)	(635)	630
Net financial and risk result, life insurance	474	299	216	175	258
Profit from investments accounted for by the equity method	264	310	52	(46)	212
Other	431	309	394	122	36
Net other operating income, total	3 847	4 109	2 852	(262)	994

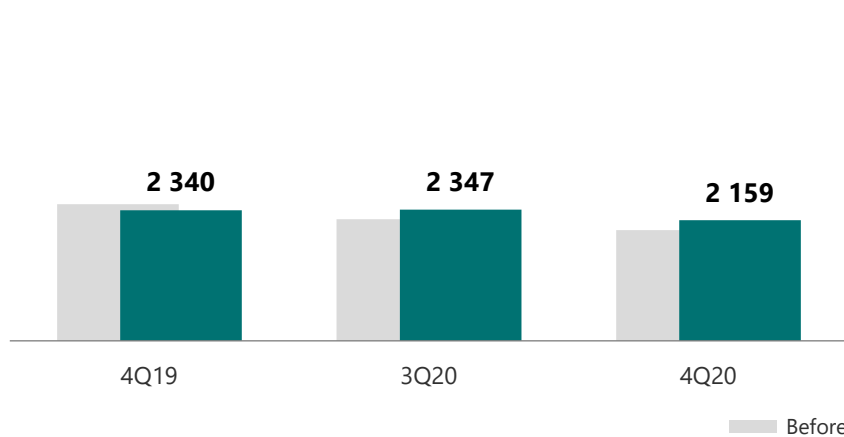
Customer segments

Personal customers

Highlights in the quarter

- Loans to customers up 0.8 per cent from 30 September 2020
- Reversals of impairment provisions reflecting the robust portfolio
- Net interest income negatively impacted by increased NOK money market rates

Pre-tax operating profit (NOK million)

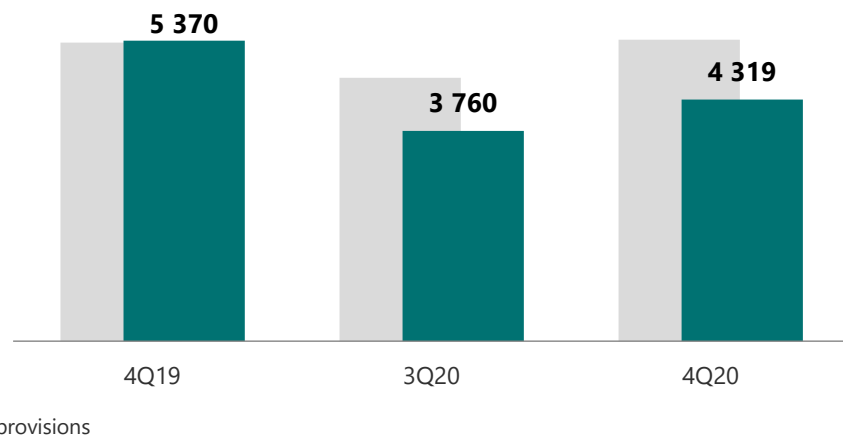


Corporate customers

Highlights in the quarter

- High capital markets activity
- Sound asset quality and lower impairment provisions in the portfolio except for offshore
- Increased profitable lending to small and medium-sized enterprises (SMEs)

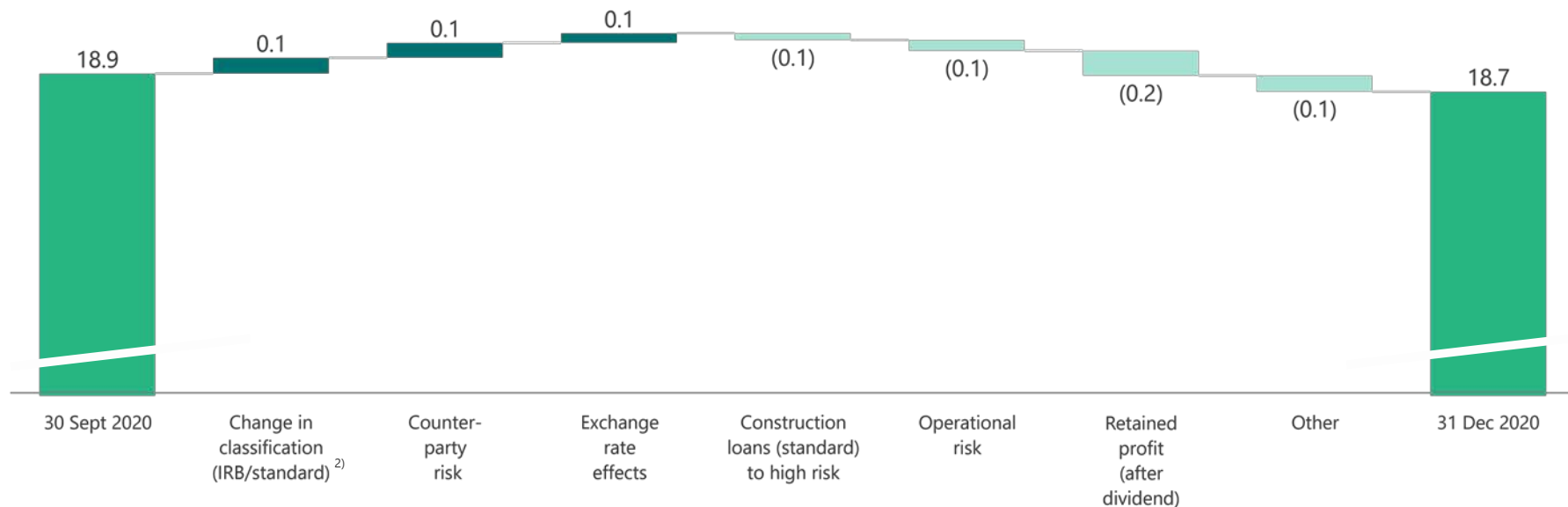
Pre-tax operating profit (NOK million)



Strong CET1 capital ratio

Development in CET1 capital ratio from 30 September 2020 to 31 December 2020¹⁾

Per cent



1) Proposed NOK 9.00 dividend per share authorisation for 2020 is not included in the CET1 capital ratio.

2) In 4Q20, the Norwegian financial supervisory authorities approved a change in the classification of mortgages in Private Banking to IRB.

DISCLAIMER

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements contained in this presentation may include forward-looking statements, such as statements of future expectations. These statements are based on the management's current views and assumptions and involve both known and unknown risks and uncertainties.

Although DNB believes that the expectations reflected in any such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Actual results, performance or events may differ materially from those set out or implied in the forward-looking statements. Important factors that may cause such a difference include, but are not limited to: (i) general economic conditions, (ii) performance of financial markets, including market volatility and liquidity, (iii) the extent of credit defaults, (iv) interest rate levels, (v) currency exchange rates, (vi) changes in the competitive climate, (vii) changes in laws and regulations, (viii) changes in the policies of central banks and/or foreign governments, or supranational entities.

DNB assumes no obligation to update any forward-looking statement.

This presentation contains alternative performance measures, or non-IFRS financial measures. Definitions and calculations are presented in our quarterly reports.



Extended
fourth quarter 2020
presentation

**We are here.
So you can stay
ahead.**