

# Second quarter and first half report 2022

Unaudited

# Financial highlights

DNB Group

<b>Income statement</b>	2nd quarter 2022	2nd quarter 2021	Jan.-June 2022	Jan.-June 2021	Full year 2021
<i>Amounts in NOK million</i>					
Net interest income	11 525	9 409	21 970	18 639	38 690
Net commissions and fees	2 829	2 883	5 672	5 514	11 011
Net gains on financial instruments at fair value	1 624	532	3 186	1 331	3 621
Net financial and risk result, life insurance	(102)	228	(70)	440	790
Other operating income	443	541	701	1 015	1 803
Net other operating income	4 794	4 184	9 490	8 300	17 225
Total income	16 319	13 593	31 460	26 939	55 915
Operating expenses	(6 389)	(5 980)	(12 355)	(11 685)	(23 834)
Restructuring costs and non-recurring effects	(135)	(58)	(135)	(170)	(200)
Pre-tax operating profit before impairment	9 795	7 555	18 970	15 084	31 881
Net gains on fixed and intangible assets	0	(103)	1	(106)	(82)
Impairment of financial instruments	209	833	798	943	868
Pre-tax operating profit	10 005	8 285	19 770	15 921	32 667
Tax expense	(2 301)	(1 823)	(4 547)	(3 503)	(7 462)
Profit from operations held for sale, after taxes	81	(30)	117	(101)	150
Profit for the period	7 785	6 432	15 340	12 317	25 355

<b>Balance sheet</b>	30 June 2022	31 Dec. 2021	30 June 2021
<i>Amounts in NOK million</i>			
Total assets	3 307 807	2 919 244	3 080 095
Loans to customers	1 924 509	1 744 922	1 710 930
Deposits from customers	1 393 381	1 247 719	1 230 931
Total equity	239 123	243 912	245 548
Average total assets	3 475 362	3 404 104	3 322 383
Total combined assets	3 793 087	3 463 482	3 597 409

<b>Key figures and alternative performance measures</b>	2nd quarter 2022	2nd quarter 2021	Jan.-June 2022	Jan.-June 2021	Full year 2021
Return on equity, annualised (per cent) <sup>1)</sup>	13.3	11.1	13.1	10.5	10.7
Earnings per share (NOK)	4.91	4.01	9.62	7.66	15.74
Combined weighted total average spreads for lending and deposits (per cent) <sup>1)</sup>	1.20	1.18	1.19	1.18	1.17
Average spreads for ordinary lending to customers (per cent) <sup>1)</sup>	1.67	2.05	1.68	2.00	1.94
Average spreads for deposits from customers (per cent) <sup>1)</sup>	0.58	0.02	0.54	0.07	0.14
Cost/income ratio (per cent) <sup>1)</sup>	40.0	44.4	39.7	44.0	43.0
Ratio of customer deposits to net loans to customers at end of period, adjusted (per cent) <sup>1)</sup>	74.1	72.5	74.1	72.5	74.2
Net loans at amortised cost and financial commitments in stage 2, per cent of net loans at amortised cost <sup>1)</sup>	8.35	9.38	8.35	9.38	8.30
Net loans at amortised cost and financial commitments in stage 3, per cent of net loans at amortised cost <sup>1)</sup>	1.43	1.54	1.43	1.54	1.55
Impairment relative to average net loans to customers at amortised cost, annualised (per cent) <sup>1)</sup>	0.05	0.20	0.09	0.12	0.05
Common equity Tier 1 capital ratio at end of period (per cent)	18.0	19.1	18.0	19.1	19.4
Leverage ratio (per cent)	6.5	6.7	6.5	6.7	7.3
Share price at end of period (NOK)	176.55	187.60	176.55	187.60	202.00
Book value per share	146.60	147.35	146.60	147.35	146.21
Price/book value <sup>1)</sup>	1.20	1.27	1.20	1.27	1.38
Dividend per share (NOK)					9.75
<b>Sustainability:</b>					
Finance and facilitate sustainable activities (NOK billion, accumulated) <sup>2)</sup>	302.1	134.9	302.1	134.9	220.8
Total assets invested in mutual funds with a sustainability profile (NOK billion)	24.8	25.2	24.8	25.2	28.4
Score from Traction's reputation survey in Norway (points)	62	63	62	63	63
Customer satisfaction index, CSI, personal customers in Norway (score)	73.3	72.5	73.6	73.9	73.3
Female representation at management levels 1-4 (%)	38.4	38.0	38.4	38.0	39.8

1) Defined as alternative performance measure (APM). APMs are described on ir.dnb.no.

2) In the second quarter of 2022, DNB updated its calculation method to be better aligned with best market practice. For further details about the adjustment, see the Directors' report. Historic volumes have been recalculated accordingly.

For additional key figures and definitions, please see the Factbook on ir.dnb.no.

# Second quarter and first half report 2022

<b>Directors' report</b> .....	4
--------------------------------	---

## **Accounts for the DNB Group**

Income statement.....	12
Comprehensive income statement .....	12
Balance sheet .....	13
Statement of changes in equity.....	14
Cash flow statement.....	15
Note G1 Basis for preparation.....	16
Note G2 Acquisition of Sbanken .....	16
Note G3 Segments.....	18
Note G4 Capital adequacy .....	19
Note G5 Development in gross carrying amount and maximum exposure .....	21
Note G6 Development in accumulated impairment of financial instruments.....	22
Note G7 Loans and financial commitments to customers by industry segment .....	23
Note G8 Financial instruments at fair value.....	25
Note G9 Debt securities issued, senior non-preferred bonds and subordinated loan capital.....	26
Note G10 Contingencies .....	27

## **Accounts for DNB Bank ASA (parent company)**

Income statement.....	28
Comprehensive income statement .....	28
Balance sheet .....	29
Statement of changes in equity.....	30
Note P1 Basis for preparation .....	31
Note P2 Capital adequacy.....	31
Note P3 Development in accumulated impairment of financial instruments.....	32
Note P4 Financial instruments at fair value.....	33
Note P5 Information on related parties.....	33

<b>Statement pursuant to the Securities trading Act</b> .....	34
---	----

<b>Information about DNB</b> .....	35
------------------------------------	----

There has been no full or partial external audit of the quarterly directors' report and accounts, though the report has been reviewed by the Audit Committee.

# Directors' report

The high activity levels in the Norwegian economy continued in the second quarter, following a period of rapid recovery and growth in consumption. The quarter was characterised by record-low unemployment, high capacity utilisation and a rise in inflation, as all the pandemic-related restrictions were removed after the winter.

DNB's financial performance continued to improve in the second quarter, supported by interest rate hikes. The Norwegian central bank utilises the key policy rate to mitigate inflationary pressure and the rate was raised by 0.50 percentage points to 1.25 per cent in June. DNB's strong capital position and improvement in profitability make the Group well positioned for further growth.

## Second quarter financial performance

The Group delivered strong profits in the quarter of NOK 7 785 million, an increase of NOK 1 353 million from the year-earlier period. Compared with the previous quarter, profits increased by NOK 230 million.

Earnings per share were NOK 4.91 in the quarter, compared with NOK 4.01 in the year-earlier period and NOK 4.71 in the first quarter of 2022.

The common equity Tier 1 (CET1) capital ratio was 18.0 per cent, down from 19.1 per cent a year earlier, and from 18.1 per cent in the first quarter of 2022.

The leverage ratio was 6.5 per cent, down from 6.7 per cent in the second quarter of 2021, and at the same level as in the first quarter of 2022.

Strong performance in the customer segments resulted in a return on equity (ROE) of 13.3 per cent, positively impacted by increased net interest income and high income from financial instruments. The corresponding figures were 11.1 per cent in the second quarter of 2021 and 12.9 per cent in the first quarter of 2022.

Profitable volume growth, the acquisition of Sbanken and positive effects from repricing led to an increase in net interest income of NOK 2 116 million, or 22.5 per cent, from the second quarter of 2021, and NOK 1 079 million, or 10.3 per cent, from the first quarter of 2022.

Net other operating income amounted to NOK 4 794 million in the second quarter, up NOK 610 million from the corresponding period in 2021, mainly due to positive exchange rate effects on additional Tier 1 (AT1) capital and basis swaps. Net commissions and fees showed strong performance across product areas, despite market turmoil, but were nevertheless down NOK 54 million from the corresponding quarter last year. Compared with the first quarter of 2022, net other operating income was at the same level.

Operating expenses amounted to NOK 6 524 million in the second quarter, up NOK 485 million and NOK 558 million from the same period a year earlier and the previous quarter, respectively. This was mainly due to higher activity and a greater number of full-time employees as a result of the acquisition of Sbanken.

Impairment of financial instruments showed net reversals of NOK 209 million in the second quarter. This was a decrease in net reversals of NOK 624 million and NOK 380 million compared with the second quarter of 2021 and the first quarter of 2022, respectively. The net reversals in the quarter were mainly driven by reversals in the corporate customers segment within the oil, gas and offshore industry segment.

## Sustainability

In the second quarter, DNB continued its efforts to follow up the Group's sustainable strategy. New courses and learning modules were launched to improve ESG competence, and work was carried out to update and simplify DNB's governing documents.

Furthermore, the newly established ESG Data Task Force became operational during the first half of the year, with the objective of building a new and centralised Group-wide ESG Data Hub. The cloud-based hub is currently being developed and will be used to collect, structure, analyse and distribute ESG data across the organisation.

In connection with the new Norwegian Transparency Act entering into force on 1 July, a Group-wide project has been working to prepare relevant business areas and support units for meeting the requirements.

The total number of sustainable loans issued to corporate customers reached a milestone and exceeded 100 since this type of loan was introduced in 2018. The first 100 sustainable loans consisted of a near 50/50 mix of green loans and sustainability-linked loans (SLLs).

As of 30 June 2022, DNB has facilitated a cumulative total of NOK 302 billion in sustainable financing volumes. The target is NOK 1 500 billion by 2030, and the calculation method was updated during the quarter to be in line with best market practice.<sup>1)</sup>

Towards the end of the second quarter, DNB Asset Management announced a doubling of its target for increasing total assets in mutual funds with a sustainability profile, from NOK 100 billion to NOK 200 billion by 2025. As of 30 June, NOK 24.8 billion has been invested in mutual funds with a sustainability profile.

## Other events in the second quarter

At the Annual General Meeting on 26 April 2022, the Board was given an authorisation for a new share buy-back programme of 3.5 per cent. In addition, DNB Markets was authorised to repurchase 0.5 per cent for hedging purposes. The authorisation is valid up to the Annual General Meeting in 2023. Initially, DNB has applied and received approval for a 1.5 per cent repurchase limit from Finanstilsynet (the Financial Supervisory Authority of Norway), whereof 0.5 per cent can only be used for hedging purposes by DNB Markets. If and when the Board decides to start a new share buy-back programme, this will be announced.

DNB has decided to open a new representative office in Sydney during the first half of 2023. This office will enable DNB to make the most of the potential in the Australian market and strengthen the bank's position as an international adviser for Norwegian and Nordic customers, especially within the renewables and health industries.

DNB Markets was named 'Norway M&A Financial Adviser of the Year' at the Mergermarket Europe M&A Awards. During the period under review (from the second quarter of 2020 to the third quarter of 2021), DNB Markets was the number one M&A financial adviser in Norway, and assisted in 27 M&A transactions with a total disclosed value of EUR 8 367 million. In the 2022 Kantar Prospera surveys, DNB Markets was once again ranked number one in Investment Grade Credit Products, Nordic High-Yield Investors and Government Securities by bond investors in Norway for 2021.

1) Volumes for advisory services and bond transactions have been calculated based on an equal division between the participating banks, instead of reporting the full volume, which has been common practice until now.

This change represents a more conservative approach, making the financing target of NOK 1 500 billion a more ambitious commitment. Historic volumes have been recalculated to reflect the updated calculation method.

Every year, Universum ranks Norway's most attractive employers among students at Norwegian universities and university colleges. This year, around 11 000 students expressed their opinion. DNB continues to hold the top ranking among business students in the survey. The bank has also retained its title as the financial industry's best in the category of banking and finance. In addition, DNB is ranked number 4 among IT students and number 12 among law students.

DNB has gone from an AA rating to AAA in MSCI's updated ESG rating from May 2022, thus achieving the top score. MSCI is a leading provider of ratings, and the aim of its ESG Ratings is to measure a company's resilience to long-term, financially relevant ESG risks.

In May, DNB Ung was named social sponsor of the year (Årets Sosiosponsor) for its work with the organisation Youth Mental Health Norway. In addition, DNB was named sports sponsor of the year (Årets Idrettsponsor) and winner of the sponsor campaign of the year (Årets sponsorkampanje) for its work together with para sports focusing on the World Para Snow Sports Championships. The annual rankings and awards are organised by the Norwegian association for sponsorship and events (Sponsor- og Eventforeningen), which is the industry organisation for companies that use sponsorship and events as communication and marketing tools.

Following the decision made by the Norwegian central bank, Norges Bank, to raise the key policy rate from 0.75 to 1.25 per cent in June, DNB decided to increase its interest rate on home mortgages by up to 0.5 percentage points.

In Traction's reputation survey for the second quarter of 2022, DNB scored 62 points. The goal is a result over 65 points, indicating that DNB is a well-liked bank.

## Half-year financial performance

DNB recorded profits of NOK 15 340 million in the first half of 2022, up NOK 3 023 million from the previous year. Return on equity was 13.1 per cent, compared with 10.5 per cent in the year-earlier period, and earnings per share were NOK 9.62, up from NOK 7.66 in the first half of 2021.

Net interest income increased by NOK 3 331 million from the same period last year, driven by volume growth and higher interest on equity. There was an average increase in the healthy loan portfolio of 7.2 per cent, and an 11.5 per cent increase in average deposit volumes from the first half of 2021. The combined spreads were at the same level, compared with the year-earlier period. Average lending spreads for the customer segments narrowed by 32 basis points, and deposit spreads widened by 47 basis points.

Net other operating income increased by NOK 1 189 million, or 14.3 per cent, from the first half of 2021. Net commissions and fees showed a strong development and increased by NOK 159 million, or 2.9 per cent, compared with the first half of 2021.

Total operating expenses were up NOK 634 million from the first half of 2021, due to higher activity and a greater number of full-time employees.

There were net reversals of impairment of financial instruments of NOK 798 million in the first half of 2022, a decrease of NOK 145 million from the previous year.

For the corporate customers industry segments there were reversals across all stages, which could primarily be seen in stage 3 for the oil, gas and offshore segment. These were partly offset by increased impairment relating to specific customers within the service and travel-related industries.

The personal customers industry segment showed impairment provisions amounting to NOK 130 million. Stages 2 and 3 both showed impairment, slightly curtailed by net reversals within stage 1.

## Second quarter income statement – main items

### Net interest income

Amounts in NOK million	2Q22	1Q22	2Q21
Lending spreads, customer segments	7 302	6 784	8 067
Deposit spreads, customer segments	1 925	1 535	65
Amortisation effects and fees	1 097	1 010	884
Operational leasing	599	580	535
Contributions to the deposit guarantee and resolution funds	(337)	(301)	(277)
Other net interest income	939	837	133
Net interest income	11 525	10 445	9 409

Net interest income increased by NOK 2 116 million, or 22.5 per cent, from the second quarter of 2021. This was mainly driven by increased volumes, higher interest on equity and positive effects from repricing. There was an average increase of NOK 174.7 billion, or 11.0 per cent, in the healthy loan portfolio compared with the second quarter of 2021. Adjusted for exchange rate effects, volumes were up NOK 156.0 billion, or 9.9 per cent. During the same period, deposits were up NOK 158.4 billion, or 13.4 per cent. Adjusted for exchange rate effects, there was an increase of NOK 135.7 billion, or 11.5 per cent. Average lending spreads narrowed by 38 basis points, and deposit spreads widened by 55 basis points compared with the second quarter of 2021. Volume-weighted spreads for the customer segments widened by 1 basis point compared with the same period in 2021.

Compared with the first quarter of 2022, net interest income increased by NOK 1 079 million, or 10.3 per cent, driven by volume growth, the acquisition of Sbanken and positive effects from repricing. In addition, the second quarter had one additional interest day compared with the previous quarter. There was an average increase of NOK 130.8 billion, or 8.0 per cent, in the healthy loan portfolio, and deposits were up NOK 92.5 billion, or 7.4 per cent. Volume-weighted spreads for the customer segments widened by 2 basis points compared with the previous quarter.

### Net other operating income

Amounts in NOK million	2Q22	1Q22	2Q21
Net commissions and fees	2 829	2 844	2 883
Basis swaps	428	629	(212)
Exchange rate effects on additional Tier 1 capital	997	(138)	59
Net gains on other financial instruments at fair value	199	1 071	685
Net financial and risk result, life insurance	(102)	32	228
Net profit from associated companies	144	(15)	260
Other operating income	299	272	281
Net other operating income	4 794	4 695	4 184

Net other operating income increased by NOK 610 million from the second quarter of 2021, mainly due to customer revenues from Markets, positive exchange rate effects on AT1 capital and basis swaps. Net commissions and fees showed strong performance across product areas, despite market turmoil negatively affecting investment banking services. There was a positive contribution from money transfer and banking services, as a result of increased travel activity. However, there was a decrease of NOK 54 million, or 1.9 per cent, compared with the corresponding quarter last year, when net commissions and fees were close to all-time high.

Compared with the previous quarter, net other operating income was up NOK 99 million, due to positive effects on AT1 capital, partly offset by other mark-to-market adjustments and basis swaps. Net commissions and fees were at the same level as the previous quarter, and saw strong deliveries across product areas.

## Operating expenses

Amounts in NOK million	2Q22	1Q22	2Q21
Salaries and other personnel expenses	(3 626)	(3 346)	(3 442)
Restructuring expenses	(1)	1	(37)
Other expenses	(2 022)	(1 772)	(1 724)
Depreciation of fixed and intangible assets	(877)	(850)	(834)
Impairment of fixed and intangible assets	3		(1)
Total operating expenses	(6 524)	(5 966)	(6 038)

Operating expenses were up NOK 485 million, or 8.0 per cent, from the second quarter of 2021. This was due to higher fees and salary expenses as a result of a greater number of full-time employees and investments in technology and compliance competence. In addition, there was a non-recurring transaction contributing to higher pension costs relating to the sale of a defined-benefit scheme at the UK branch. However, this was offset by lower returns on the closed defined-benefit pension scheme. The scheme is hedged, and a corresponding loss is been recognised in net gains on financial instruments.

Compared with the first quarter of 2022, operating expenses were up NOK 558 million, or 9.4 per cent. This can be ascribed to increased activity and the acquisition of Sbanken, resulting in higher salaries and other personnel expenses.

The cost/income ratio was 40.0 per cent in the second quarter.

## Impairment of financial instruments by industry segment

Amounts in NOK million	2Q22	1Q22	2Q21
Personal customers	(94)	(36)	39
Commercial real estate	26	12	7
Shipping	30	(12)	81
Oil, gas and offshore	313	760	(26)
Other industry segments	(65)	(134)	733
Total impairment of financial instruments	209	589	833

There were net reversals of impairment of financial instruments of NOK 209 million in the quarter.

The personal customers industry segment showed impairment provisions in all three stages totaling NOK 94 million in the quarter, compared with net reversals of NOK 39 million in the second quarter of 2021 and impairment provisions of NOK 36 million in the first quarter of 2022. The retail portfolio showed impairment provisions of NOK 18 million and the segment remains stable.

The commercial real estate industry segment showed net reversals of NOK 26 million, compared with net reversals of NOK 7 million in the second quarter of 2021 and NOK 12 million in the first quarter of 2022. The reversals were spread across all three stages, and the macro forecasts remained stable during the quarter.

The shipping industry segment showed net reversals of NOK 30 million in the quarter, down from net reversals of NOK 81 million in the second quarter of 2021. The first quarter of 2022 showed impairment provisions of NOK 12 million. The net reversals could primarily be seen within stages 1 and 2 and were mainly driven by slightly improved macro forecasts.

The oil, gas and offshore industry segment showed net reversals of NOK 313 million in the quarter, compared with impairment provisions of NOK 26 million in the year-earlier period. The positive development in the quarter could mainly be explained by reversals in stage 3 due to improved credit quality within the offshore industry segment.

Other industry segments saw impairment provisions of NOK 65 million in the quarter. Correspondingly, there were net reversals of NOK 733 million in the second quarter of 2021, while the first quarter of 2022 had impairment provisions of NOK 134 million. The impairment provisions could mainly be ascribed to a few specific customers in stage 3 within the service and travel-related industries. These were somewhat offset by reversals in stages 1 and 2, primarily due to a slightly improved macro outlook.

Net stage 3 loans and financial commitments amounted to NOK 27 billion at end-June 2022, up NOK 1 billion compared with the corresponding quarter last year and NOK 2 billion from the first quarter of 2022.

## Taxes

The DNB Group's tax expense for the second quarter has been estimated at NOK 2 301 million, or 23.0 per cent of pre-tax operating profit.

## Financial performance – segments

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

## Personal customers

Income statement in NOK million	2Q22	1Q22	2Q21
Net interest income	3 946	3 232	3 244
Net other operating income	1 380	1 265	1 400
Total income	5 326	4 497	4 644
Operating expenses	(2 668)	(2 280)	(2 322)
Pre-tax operating profit before impairment	2 658	2 216	2 322
Impairment of financial instruments	(65)	12	114
Pre-tax operating profit	2 592	2 228	2 437
Tax expense	(648)	(557)	(609)
Profit for the period	1 944	1 671	1 827

## Average balance sheet items in NOK billion

Loans to customers	926.0	835.6	825.2
Deposits from customers	579.5	497.4	477.2

## Key figures in per cent

Lending spreads <sup>1)</sup>	1.09	1.08	1.64
Deposit spreads <sup>1)</sup>	0.91	0.83	(0.00)
Return on allocated capital	13.7	13.8	15.5
Cost/income ratio	50.1	50.7	50.0
Ratio of deposits to loans	62.6	59.5	57.8

1) Calculated relative to the 3-month money market rate. See [ir.dnb.no](http://ir.dnb.no) for additional information on alternative performance measures (APMs).

The personal customers segment delivered sound results in the second quarter, with a return on allocated capital of 13.7 per cent. A rise in total income contributed to the positive development.

Including the loan portfolio in Sbanken, average loans to customers grew by 12.2 per cent from the second quarter of 2021. The healthy home mortgage portfolio grew by 12.5 per cent in the same period. Deposits from customers, including the Sbanken portfolio, continued to show a strong average growth of 21.4 per cent from the corresponding quarter last year. The ratio of deposits to loans improved by 4.8 percentage points, to 62.6 per cent.

The second quarter included the full effect of the interest rate hike announced in December 2021, and a partial effect of the interest rate hike announced in March 2022. The positive effect was partly offset by a further increase in NOK money market rates. Combined spreads on loans and deposits narrowed by 2 basis points from the corresponding quarter of 2021 and widened by 3 basis points from the previous quarter.

There was a moderate decrease in net other operating income of 1.4 per cent compared with the second quarter of 2021. However, revenues from payment services contributed positively, as a result of higher consumption and increased travel activity. Total income from Sbanken amounted to NOK 445 million in the second quarter.

Operating expenses increased by NOK 14.9 per cent from the second quarter of 2021. The cost increase was mainly driven by the customer identity verification programme and the acquisition of Sbanken.

Net impairment of financial instruments amounted to NOK 65 million in the second quarter. Overall, credit quality and macro forecasts were relatively stable in the quarter, and impairment provisions remained at a low level.

DNB's market share of credit to households was 24.2 per cent at end-May 2022. The market share of total household savings was 32.1 per cent at the same point in time, of which savings in mutual funds amounted to 38.1 per cent at end-June. DNB Eiendom had an average market share of 15.1 per cent in the second quarter of 2022.

### Corporate customers

<i>Income statement in NOK million</i>	2Q22	1Q22	2Q21
Net interest income	7 128	6 501	5 912
Net other operating income	2 645	2 982	2 264
Total income	9 773	9 483	8 176
Operating expenses	(3 669)	(3 536)	(3 289)
Pre-tax operating profit before impairment	6 104	5 947	4 887
Net gains on fixed and intangible assets	1	1	(0)
Impairment of financial instruments	276	577	709
Profit from repossessed operations	86	49	(61)
Pre-tax operating profit	6 466	6 573	5 535
Tax expense	(1 616)	(1 643)	(1 384)
Profit for the period	4 849	4 930	4 151

### Average balance sheet items in NOK billion

Loans to customers	848.7	810.0	773.6
Deposits from customers	760.2	749.1	703.6

### Key figures in per cent

Lending spreads <sup>1)</sup>	2.31	2.33	2.48
Deposit spreads <sup>1)</sup>	0.32	0.28	0.04
Return on allocated capital	18.5	19.6	17.3
Cost/income ratio	37.5	37.3	40.2
Ratio of deposits to loans	89.6	92.5	91.0

1) Calculated relative to the 3-month money market rate. See [ir.dnb.no](http://ir.dnb.no) for additional information on alternative performance measures (APMs).

The corporate customers segment delivered a solid profit and a return on allocated capital of 18.5 per cent in the second quarter, although down from 19.6 per cent compared with the previous quarter. Profitability in the second quarter was mainly driven by increased net interest income from both lending and deposits, and a net reversal of impairment of financial instruments.

Net interest income increased from the previous quarter and from the corresponding quarter of 2021. Lending volumes were up 9.7 per cent from the corresponding quarter last year. Adjusted for exchange rate effects, volumes were up 6.6 per cent. Compared with the previous quarter, lending volumes were up 4.8 per cent, and up 3.0 per cent adjusted for exchange rate effects. Lending spreads narrowed by a further 3 basis points from the previous quarter after a period of narrowing lending spreads, mainly as a result of lower risk in the portfolio and a lag effect in the small and medium-sized enterprises (SME) segment caused by increasing interest rates, a trend which is expected to continue.

The strong growth in deposit volumes over the previous two years levelled out in the first half of the year. The ratio of deposits to loans has remained high for some time, but is expected to gradually decrease towards a more normalised level. Deposit spreads were positively affected by increasing NOK money market rates during the quarter.

Net other operating income amounted to NOK 2 645 million in the second quarter, an increase of NOK 381 million from the corresponding quarter of last year. This was mainly due to higher income from financial instruments and increased income from net commissions and fees. Compared with the previous quarter, net other operating expenses decreased by NOK 337 million, driven by a reduction in income from net commissions and fees and net gains on financial instruments at fair value. Income from Markets activities was at the same level as in the first quarter.

Operating expenses were up 11.6 per cent compared with the second quarter of 2021. The increase was mainly driven by higher expenses linked to increased Markets revenues and higher personnel expenses, largely due to the strengthening of competence in the area of AML. Compared with the previous quarter, the operating expenses were up 3.8 per cent, driven by fees and personnel expenses.

There were net reversals of impairment of financial instruments of NOK 276 million in the second quarter, compared with net reversals of NOK 709 million and NOK 577 million in the corresponding quarter last year and the previous quarter, respectively. The net reversals reflect improved credit quality.

During the second quarter, the strong focus on AML measures continued across the corporate customers segment. The aim is to further improve the segment's capabilities when it comes to identifying and preventing money laundering.

As of the second quarter of 2022, DNB has facilitated a cumulative total of NOK 302 billion in sustainable financing volumes. The bank's corporate customers segment is establishing the methodology and baseline for measuring its financed emissions, and for assessing and reporting on DNB's net-zero ambition. The corporate customer segment has recently strengthened its focus on ESG, and has a newly established section with specific responsibility for this area. Furthermore, in the second quarter, DNB developed and launched a sustainability guide, and the Group is offering courses on sustainability for small and medium-sized enterprises in collaboration with the non-profit organisation DigitalNorway. Going forward, the emphasis will be on incorporating DNB's sustainability ambitions into the corporate customers segment's commercial strategy, further integrating ESG in the credit process, building ESG competence and roles in the organisation, and strengthening the data and reporting systems so as to comply with regulatory requirements.

In the time ahead, DNB will continue to focus on capital optimisation and a further strengthening of the Group's position within the large corporates segment, as well as on ensuring continued profitable growth within the SME segment.

### Other operations

This segment includes the results from risk management in DNB Markets and from traditional pension products with a guaranteed rate of return. In addition, the other operations segment includes Group items not allocated to the customer segments.

<i>Income statement in NOK million</i>	2Q22	1Q22	2Q21
Net interest income	451	713	253
Net other operating income	1 089	889	1 512
Total income	1 540	1 602	1 765
Operating expenses	(506)	(591)	(1 419)
Pre-tax operating profit before impairment	1 034	1 011	346
Net gains on fixed and intangible assets	(0)	0	(103)
Impairment of financial instruments	(1)	1	10
Profit from repossessed operations	(86)	(49)	61
Pre-tax operating profit	947	963	313
Tax expense	(37)	(45)	170
Profit from operations held for sale, after taxes	81	36	(30)
Profit for the period	992	953	454

### Average balance sheet items in NOK billion

Loans to customers	107.1	106.3	130.2
Deposits from customers	28.2	85.9	101.4

The profit for the other operations segment was NOK 992 million in the second quarter of 2022.

Risk management income ended at NOK 183 million, up from NOK 128 million in the corresponding quarter of last year, due to market volatility. Compared with the previous quarter, risk management income decreased by NOK 269 million. The decrease reflected a highly volatile market which negatively affected the bond portfolio due to a further widening of credit spreads. However,

foreign exchange, repurchase agreements (repos) and interest-rate trading were all providing good levels of income.

For traditional pension products with a guaranteed rate of return, net other operating income was NOK 126 million in the second quarter, down NOK 353 million from the year-earlier period. This can primarily be ascribed to a significant decrease in profits in the large corporates portfolio, due to volatility in the financial markets and rising interest rates. Profits were also down in the common portfolio. The solvency margin as of 30 June was 202 per cent. The solvency capital amounted to NOK 31 829 million, compared with a capital requirement of NOK 15 773 million. At the end of the first quarter of 2022, the solvency margin was 180 per cent. At the end of the second quarter, the Group was not affected by the transitional rules for valuation of technical insurance provisions. During the quarter, the solvency margin was weakened, in particular, by low returns on financial assets and low profit generation, while higher market rates and a higher volatility adjustment strengthened the margin considerably. The ten-year Norwegian swap rate increased by 51 basis points in the quarter and amounted to 3.27 per cent as at 31 June. The volatility adjustment of the interest rate curve increased by 18 basis points and amounted to 52 basis points. The higher Solvency II yield curve is the main reason for the strengthening of the solvency margin by 22 percentage points in the quarter.

DNB's share of the profit in associated companies (most importantly Luminor, Vipps and Fremtind) is included in this segment, with a profit of NOK 141 million in the second quarter. There was a decrease in profit from these companies of NOK 119 million compared with the second quarter of 2021, and an increase of NOK 157 million compared with the previous quarter.

## Funding, liquidity and balance sheet

In the second quarter, higher inflation in all economies and several subsequent key policy rate hikes made the short-term funding markets more volatile, resulting in a more challenging pricing situation. The bank continued to have very good access to funding at competitive levels during the quarter, compared with its Scandinavian peers. The bank issued instruments at increasingly high interest rates and will continue issuing instruments linked to the new rates: SOFR for USD and SONIA for GBP. These rates have seen increased investor demand in a rising interest rate environment. A planned reduction in the central bank support schemes for the funding markets also contributed to higher credit add-ons and greater uncertainty regarding further price developments. So far, the market unrest has not reduced the volumes the bank has access to.

The market for long-term funding was characterised by market turmoil and increased volatility in the second quarter. Following an increase in credit add-ons in the first quarter, there was a slight reversal towards the end of March/beginning of April. From mid-April onwards, markets were once again marked by unrest, with significantly higher credit add-ons. The reasons for this unrest, in addition to the consequences of the ongoing war in Ukraine, were ever-increasing expectations that future key policy rates will curb inflation and corresponding fears that elevated interest rate levels will dampen growth and lead to recession. Activity picked up somewhat during the course of May, when issuers took advantage of short windows of recovery in market sentiment to make new issues. The bank issued two senior bonds in the second quarter, in the CHF and EUR markets, respectively, worth a total of approximately NOK 10 billion. The time to maturity for new issues were relatively short (3–4 years), as the credit add-ons on short-term funding rose less than those for long-term funding.

The total nominal value of long-term debt securities issued by the Group was NOK 571 billion at the end of the quarter, compared with NOK 573 billion a year earlier. The average remaining term to maturity for long-term debt securities issued was 3.5 years at the end of the quarter, compared with 3.8 years a year earlier.

The short-term liquidity requirement, the Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the quarter and stood at 139 per cent at the end of the quarter.

Total combined assets in the DNB Group were NOK 3 793 billion at the end of the quarter, up from NOK 3 597 billion a year earlier. Total assets in the Group's balance sheet were NOK 3 308 billion at the end of the quarter and NOK 3 080 billion a year earlier.

Loans to customers increased by NOK 213.6 billion, or 12.5 per cent, in the second quarter compared with a year earlier. Customer deposits were up NOK 162.5 billion, or 13.2 per cent, during the same period. The ratio of customer deposits to net loans to customers was 74.1 per cent at the end of the quarter, up from 72.5 per cent a year earlier.

## Capital position

The CET1 capital ratio was 18.0 per cent at end-June, down from 19.1 per cent a year earlier, and from 18.1 per cent at end-March 2022. Retained profits contributed 40 basis points to the CET1 ratio in the quarter, while exchange rate effects and volume growth reduced the ratio by 50 basis points. The EU Banking Package, CRR II/CRD V, entered into force in Norway in the second quarter of 2022, with only minor effects on the CET1 capital ratio.

The CET1 requirement for DNB at end-June was 15.2 per cent, while the expectation from the supervisory authorities was 16.7 per cent including Pillar 2 Guidance. The increase of 0.3 per cent from the previous quarter was due to the announced increase in the counter-cyclical buffer requirement to 1.5 per cent from 30 June 2022. The Group thus had a solid 1.3 percentage-point headroom above the current supervisory authorities' capital level expectation.

The risk exposure amount increased by NOK 41 billion from end-March 2022, to NOK 1 071 billion at end-June 2022, mainly due to volume growth and exchange rate effects.

The leverage ratio was 6.5 per cent at end-June, down from 6.7 per cent in the year-earlier period, and at the same level as in end-March 2022.

## Development in CET1 capital ratio

Per cent	CET1 capital ratio
<b>1Q22</b>	<b>18.1</b>
Profit (50 per cent after tax)	0.4
Exchange rate effects	(0.2)
Volumes	(0.4)
<b>2Q22</b>	<b>18.0</b>

## Capital adequacy

The capital adequacy regulations specify a minimum requirement for own funds based on a risk exposure amount that includes credit risk, market risk and operational risk. In addition to meeting the minimum requirement, DNB must satisfy various buffer requirements (Pillar 1 and Pillar 2 requirements).

## Capital and risk

	2Q22	1Q22	2Q21
CET1 capital ratio, per cent	18.0	18.1	19.1
Tier 1 capital ratio, per cent	18.9	19.0	20.3
Capital ratio, per cent	20.9	21.0	22.2
Risk exposure amount, NOK billion	1 071	1 030	977
Leverage ratio, per cent	6.5	6.5	6.7



As the DNB Group consists of both a credit institution and an insurance company, DNB has to satisfy a cross-sectoral calculation test to demonstrate that it complies with sectoral requirements: the capital adequacy requirement, in accordance with the CRR/CRD IV, and the Solvency II requirement. At end-June, DNB complied with these requirements by a good margin, with excess capital of NOK 23.0 billion.

## New regulatory framework

### The EU Banking Package entered into force on 1 June

The legislative amendments and associated technical regulations that implement the EU Banking Package in Norwegian law entered into force on 1 June 2022. The amendments implement the capital requirements and recovery and resolution rules for banks (CRR II, CRD V and BRRD II). They include rules on remuneration schemes and the calculation of minimum requirements for own funds and eligible liabilities (MREL), as well as a requirement stating that an Annual General Meeting resolution is necessary for issuing certain forms of eligible liabilities. The EU Banking Package also includes an expansion of the SME supporting factor, which reduces banks' capital requirements in connection with lending to small and medium-sized enterprises (SMEs).

The Norwegian Ministry of Finance has tasked Finanstilsynet with giving an account of the legislative and regulatory rules that clarify the parameters for the Authority's determination of bank-specific additional capital requirements (Pillar 2 requirements), as well as of the current Pillar 2 practice, by 25 October 2022. The CRD V contains significant changes to the rules on the determination of Pillar 2 requirements and Pillar 2 guidance, and the European Banking Authority (EBA) has drawn up comprehensive guidelines in this area. In the Ministry's view, considerations relating to the rule of law may indicate that the parameters for the Pillar 2 process should to a greater extent than today be laid down in legislation and regulations. In addition, the Ministry is of the view that rules of this kind should be implemented in Norwegian rules and legislation due to EEA-related legal obligations.

### Clarification of banks' obligation to make cash services available

The Ministry of Finance has laid down regulations stating that each individual bank has an obligation to ensure that customers are able to deposit and withdraw cash, either facilitated by the bank itself or through an agreement with other cash service providers. The obligation applies regardless of whether or not the individual bank sees a need or demand for cash services among its customers. The regulations do not entail any changes for DNB, which offers its customers in-store cash services from providers such as BankAxept/Vipps. The regulations will enter into force on 1 October 2022.

The Norwegian Ministry of Justice and Public Security is also in the process of looking into how the right to cash settlement can be strengthened, and what clarifications should be made in the legislation. Furthermore, the Government has announced that, during the course of 2022, a public committee is to be appointed and tasked with assessing the future role of cash in society.

### Norway's participation in InvestEU

The EU investment programme InvestEU brings together the EU's financial instruments in the areas of loans, guarantees and equity instruments. The Government is now preparing Norway's participation in the investment programme for the period 2021–2027. Through the EEA Agreement, Norway has the opportunity to participate in the various InvestEU financial instruments on an equal footing with EU member states.

If the timeline is followed and further agreements with implementing partners are entered into in connection with this, it is expected that financial instruments may be operational via Norwegian policy instrument providers such as Innovation Norway, banks and financial institutions from the third or fourth quarter of 2022.

### Macroeconomic developments

In the second quarter, there were high levels of capacity utilisation and inflation in the Norwegian economy. According to the regional network of the Norwegian central bank, Norges Bank, six out of ten companies reported full capacity utilisation – the highest proportion since 2007. Registered unemployment in June was 1.6 per cent, which was the lowest level registered since 2008. Mainland GDP recovered from the pandemic-related shutdowns around the turn of the year. Although mainland GDP declined in April, there was a continued underlying increase.

In June, consumer prices were up 6.3 per cent compared with the same month a year earlier. This was the highest price inflation since November 1988. The electricity support scheme for households contributed to keeping inflation down. Without a support scheme of this kind, inflation would have reached 7.7 per cent in May. Core inflation, as measured by the CPI-ATE (consumer price index adjusted for tax changes and excluding energy products), rose to 3.6 per cent in June this year and is showing a clear upward trend. Price inflation for imported goods was considerably higher than for goods and services produced in Norway. In this year's pay settlement in the leading sectors, the parties entered into a new agreement, with an estimated wage growth in the manufacturing sector of 3.7 per cent. In the public sector, agreement was generally reached on a wage growth of around 3.8 per cent. Unless wage growth picks up more than agreed, it is likely that real income will decrease this year.

Housing prices continued to rise in the second quarter. Household credit growth appears to have slowed marginally in the second quarter, and was 4.7 per cent year-on-year in May.

High capacity utilisation and inflation indicate a tightening of Norwegian monetary policy. Norges Bank raised the key policy rate in June to 1.25 per cent, and wishes to raise the rate gradually. In June, Norges Bank signalled that the rate may be increased by 0.25 percentage points at each monetary policy meeting this year, in which case it will be 2.25 per cent at the end of the year. The central bank also announced that the key policy rate could be raised to 3.00 per cent in 2023. The interest rate path presented is a reflection of Norges Bank's efforts to strike a balance between curbing inflation on the one hand, and not inflicting an interest rate increase on households that could lead to an economic downturn, on the other.

## Future prospects

The Group's overriding financial target of a return on equity (ROE) above 12 per cent remains unchanged. In addition to increasing NOK interest rates, the following factors will contribute to reaching the ROE target: growth in loans and deposits, and growth in commissions and fees from capital-light products combined with cost control measures.

The annual organic loan growth is expected to be between 3 and 4 per cent over time, while maintaining a sound deposit-to-loan ratio. DNB has an ambition to increase net commissions and fees by 4 to 5 per cent annually, and to achieve a cost/income ratio below 40 per cent.

The tax rate going forward is expected to be 23 per cent.

The supervisory expectation for the common equity Tier 1 (CET1) capital ratio for DNB is 16.7 per cent, including Pillar 2 Guidance at 1.5 per cent and an increase in the counter-cyclical buffer requirement from 1 to 1.5 per cent. The actual ratio achieved

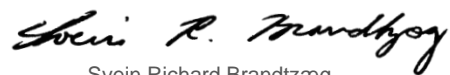
in the second quarter was 18.0 per cent. The Norwegian Ministry of Finance has announced an increase in the counter-cyclical buffer requirement from 1.5 to 2 per cent from December 2022 and to 2.5 per cent from March 2023. In its capital planning, DNB has taken into account the full counter-cyclical buffer requirement of 2.5 per cent in Norway, which will increase the supervisory expectation for the CET1 level to 17.7 per cent. The supervisory expectation plus some headroom will be DNB's target capital level. The headroom will reflect expected future capital needs including anticipated future regulatory capital changes and market-driven CET1 fluctuations.

The Group's dividend policy remains unchanged, with a payout ratio of more than 50 per cent in cash dividends and an ambition to increase the nominal dividend per share each year. In addition to dividend payments, repurchases of own shares will be used as a flexible tool for allocating excess capital to DNB's owners.

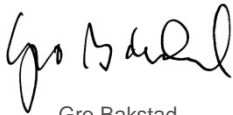
Oslo, 11 July 2022  
The Board of Directors of DNB Bank ASA



Olaug Svarva  
(Chair of the Board)



Svein Richard Brandtzæg  
(Vice Chair of the Board)



Gro Bakstad



Julie Galbo



Lillian Hattrem



Jens Petter Olsen



Stian Tegler Samuelsen



Jaan Ivar Semlitsch



Jannicke Skaanes



Kim Wahl



Kjerstin R. Braathen  
(Group Chief Executive Officer, CEO)

# Accounts for the DNB Group

## G – Income statement

<i>Amounts in NOK million</i>	<b>DNB Group</b>				
	2nd quarter 2022	2nd quarter 2021	Jan.-June 2022	Jan.-June 2021	Full year 2021
Interest income, amortised cost	15 311	10 542	27 931	21 189	43 997
Other interest income	817	733	1 504	1 613	2 890
Interest expenses, amortised cost	(3 807)	(1 097)	(5 699)	(2 364)	(4 693)
Other interest expenses	(796)	(769)	(1 766)	(1 799)	(3 504)
<b>Net interest income</b>	<b>11 525</b>	<b>9 409</b>	<b>21 970</b>	<b>18 639</b>	<b>38 690</b>
Commission and fee income	3 847	3 845	7 567	7 509	14 992
Commission and fee expenses	(1 018)	(962)	(1 894)	(1 996)	(3 981)
Net gains on financial instruments at fair value	1 624	532	3 186	1 331	3 621
Net financial result, life insurance	(175)	206	(273)	310	581
Net risk result, life insurance	73	22	203	130	210
Profit from investments accounted for by the equity method	144	260	129	346	524
Net gains on investment properties	2	6	(2)	36	91
Other income	297	275	574	633	1 188
<b>Net other operating income</b>	<b>4 794</b>	<b>4 184</b>	<b>9 490</b>	<b>8 300</b>	<b>17 225</b>
<b>Total income</b>	<b>16 319</b>	<b>13 593</b>	<b>31 460</b>	<b>26 939</b>	<b>55 915</b>
Salaries and other personnel expenses	(3 627)	(3 480)	(6 971)	(6 817)	(13 826)
Other expenses	(2 022)	(1 724)	(3 794)	(3 381)	(6 845)
Depreciation and impairment of fixed and intangible assets	(874)	(835)	(1 724)	(1 657)	(3 363)
<b>Total operating expenses</b>	<b>(6 524)</b>	<b>(6 038)</b>	<b>(12 489)</b>	<b>(11 855)</b>	<b>(24 034)</b>
<b>Pre-tax operating profit before impairment</b>	<b>9 795</b>	<b>7 555</b>	<b>18 970</b>	<b>15 084</b>	<b>31 881</b>
Net gains on fixed and intangible assets	0	(103)	1	(106)	(82)
Impairment of financial instruments	209	833	798	943	868
<b>Pre-tax operating profit</b>	<b>10 005</b>	<b>8 285</b>	<b>19 770</b>	<b>15 921</b>	<b>32 667</b>
Tax expense	(2 301)	(1 823)	(4 547)	(3 503)	(7 462)
Profit from operations held for sale, after taxes	81	(30)	117	(101)	150
<b>Profit for the period</b>	<b>7 785</b>	<b>6 432</b>	<b>15 340</b>	<b>12 317</b>	<b>25 355</b>
Portion attributable to shareholders	7 611	6 210	14 909	11 875	24 407
Portion attributable to non-controlling interests	36	(12)	66	(32)	26
Portion attributable to additional Tier 1 capital holders	138	235	364	474	922
<b>Profit for the period</b>	<b>7 785</b>	<b>6 432</b>	<b>15 340</b>	<b>12 317</b>	<b>25 355</b>
Earnings/diluted earnings per share (NOK)	4.91	4.01	9.62	7.66	15.74
Earnings per share excluding operations held for sale (NOK)	4.86	4.03	9.54	7.73	15.65

## G – Comprehensive income statement

<i>Amounts in NOK million</i>	<b>DNB Group</b>				
	2nd quarter 2022	2nd quarter 2021	Jan.-June 2022	Jan.-June 2021	Full year 2021
<b>Profit for the period</b>	<b>7 785</b>	<b>6 432</b>	<b>15 340</b>	<b>12 317</b>	<b>25 355</b>
Actuarial gains and losses	118		532	(144)	(183)
Property revaluation	62	71	368	153	212
Items allocated to customers (life insurance)	(36)	(71)	(341)	(153)	(193)
Financial liabilities designated at FVTPL, changes in credit risk	67	(3)	156	(34)	29
Tax	(40)	1	(165)	45	41
Items that will not be reclassified to the income statement	172	(2)	549	(134)	(93)
Currency translation of foreign operations	5 707	1 120	3 660	(695)	(1 018)
Currency translation reserve reclassified to the income statement				(6)	0
Hedging of net investment	(4 890)	(864)	(3 228)	528	680
Financial assets at fair value through OCI	(321)	(70)	(694)	30	(101)
Tax	1 303	234	979	(139)	(148)
Items that may subsequently be reclassified to the income statement	1 799	420	717	(282)	(587)
<b>Other comprehensive income for the period</b>	<b>1 972</b>	<b>418</b>	<b>1 267</b>	<b>(416)</b>	<b>(681)</b>
<b>Comprehensive income for the period</b>	<b>9 756</b>	<b>6 850</b>	<b>16 606</b>	<b>11 901</b>	<b>24 674</b>

## G – Balance sheet

		DNB Group		
<i>Amounts in NOK million</i>	Note	30 June 2022	31 Dec. 2021	30 June 2021
<b>Assets</b>				
Cash and deposits with central banks		382 631	296 727	513 674
Due from credit institutions		47 012	44 959	48 269
Loans to customers	G5, G6, G7, G8	1 924 509	1 744 922	1 710 930
Commercial paper and bonds	G8	430 426	425 267	408 819
Shareholdings	G8	34 614	35 297	34 506
Financial assets, customers bearing the risk	G8	130 260	138 747	129 966
Financial derivatives	G8	235 950	135 400	129 073
Investment properties		18 283	17 823	18 649
Investments accounted for by the equity method		18 843	19 549	18 628
Intangible assets	G2	10 266	5 804	5 277
Deferred tax assets		723	649	4 253
Fixed assets		21 690	21 430	21 027
Assets held for sale		2 072	2 245	2 456
Other assets		50 528	30 423	34 569
<b>Total assets</b>		<b>3 307 807</b>	<b>2 919 244</b>	<b>3 080 095</b>
<b>Liabilities and equity</b>				
Due to credit institutions		226 847	149 611	280 278
Deposits from customers	G8	1 393 381	1 247 719	1 230 931
Financial derivatives	G8	211 668	114 348	117 961
Debt securities issued	G8, G9	778 553	702 759	755 002
Insurance liabilities, customers bearing the risk		130 260	138 747	129 966
Liabilities to life insurance policyholders		193 449	199 379	199 986
Payable taxes		4 643	3 054	7 925
Deferred taxes		1 624	1 571	11
Other liabilities		53 275	39 718	42 385
Liabilities held for sale		476	896	882
Provisions		1 007	1 642	1 576
Pension commitments		4 538	5 073	4 891
Senior non-preferred bonds	G9	40 617	37 769	31 351
Subordinated loan capital	G8, G9	28 345	33 047	31 400
<b>Total liabilities</b>		<b>3 068 684</b>	<b>2 675 332</b>	<b>2 834 547</b>
Additional Tier 1 capital		11 438	16 974	16 932
Non-controlling interests		399	266	270
Share capital		19 380	19 379	15 503
Share premium		18 733	18 733	22 609
Other equity		189 173	188 559	190 234
<b>Total equity</b>		<b>239 123</b>	<b>243 912</b>	<b>245 548</b>
<b>Total liabilities and equity</b>		<b>3 307 807</b>	<b>2 919 244</b>	<b>3 080 095</b>

## G – Statement of changes in equity

DNB Group

<i>Amounts in NOK million</i>	Non-controlling interests	Share capital	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity	Total equity
<b>Balance sheet as at 31 Dec. 2020</b>	<b>119</b>	<b>15 503</b>	<b>22 609</b>	<b>18 362</b>	<b>5 952</b>	<b>23</b>	<b>185 829</b>	<b>248 396</b>
Profit for the period	(32)			474			11 875	12 317
Actuarial gains and losses							(144)	(144)
Financial assets at fair value through OCI							30	30
Financial liabilities designated at FVTPL, changes in credit risk						(34)		(34)
Currency translation of foreign operations	(1)				(700)			(701)
Hedging of net investment					528			528
Tax on other comprehensive income					(132)	8	29	(94)
Comprehensive income for the period	(33)			474	(304)	(25)	11 789	11 901
Interest payments AT1 capital				(513)				(513)
Currency movements on interest payments and redemption AT1 capital				9			(11)	(3)
AT1 capital redeemed				(1 400)				(1 400)
Non-controlling interests	184						(3)	182
Net purchase of treasury shares		0					9	10
Dividends paid for 2019 (NOK 8.4 per share)							(13 023)	(13 023)
<b>Balance sheet as at 30 June 2021</b>	<b>270</b>	<b>15 503</b>	<b>22 609</b>	<b>16 932</b>	<b>5 648</b>	<b>(3)</b>	<b>184 589</b>	<b>245 548</b>
<b>Balance sheet as at 31 Dec. 2021</b>	<b>266</b>	<b>19 379</b>	<b>18 733</b>	<b>16 974</b>	<b>5 444</b>	<b>45</b>	<b>183 071</b>	<b>243 912</b>
Profit for the period	66			364			14 909	15 340
Actuarial gains and losses							532	532
Property revaluation							26	26
Financial assets at fair value through OCI							(694)	(694)
Financial liabilities designated at FVTPL, changes in credit risk						156		156
Currency translation of foreign operations	18				3 642			3 660
Hedging of net investment					(3 228)			(3 228)
Tax on other comprehensive income					807	(40)	47	814
Comprehensive income for the period	84			364	1 221	117	14 820	16 606
Interest payments additional Tier 1 capital				(500)				(500)
AT1 capital redeemed <sup>1)</sup>				(6 548)				(6 548)
Currency movements on interest payment and redemption AT1				445			(428)	17
Net purchase of treasury shares		0					0	0
Non-controlling interests	49							49
Aquisition of Sbanken				702				702
Dividends paid for 2021 (NOK 9.75 per share)							(15 116)	(15 116)
<b>Balance sheet as at 30 June 2022</b>	<b>399</b>	<b>19 380</b>	<b>18 733</b>	<b>11 438</b>	<b>6 665</b>	<b>161</b>	<b>182 347</b>	<b>239 123</b>

1) An additional Tier 1 capital instrument of USD 750 million, issued by the DNB Group's parent DNB Bank ASA in 2016, was redeemed in the first quarter of 2022.

## G – Cash flow statement

	DNB Group		
<i>Amounts in NOK million</i>	Jan.-June 2022	Jan.-June 2021	Full year 2021
<b>Operating activities</b>			
Net receipts/(payments) on loans to customers	(71 761)	(22 384)	(58 083)
Interest received from customers	25 257	20 872	42 060
Net receipts on deposits from customers	52 233	127 192	143 754
Interest paid to customers	(1 999)	(992)	(3 475)
Net receipts/(payments) on loans to credit institutions	81 429	94 290	(25 144)
Net interest paid to credit institutions	(240)	(713)	(1 023)
Net payments on the sale of financial assets for investment or trading	11 786	13 922	(42 985)
Interest received on bonds and commercial paper	1 929	746	2 832
Net receipts on commissions and fees	5 721	6 055	10 974
Payments to operations	(12 260)	(11 331)	(19 807)
Taxes paid	(2 351)	(3 271)	(7 119)
Receipts on premiums	8 513	7 835	15 761
Net receipts/(payments) on premium reserve transfers	(164)	334	444
Payments of insurance settlements	(7 290)	(7 073)	(14 278)
Other net payments	(7 829)	1 332	(2 326)
<b>Net cash flow from operating activities</b>	<b>82 974</b>	<b>226 816</b>	<b>41 585</b>
<b>Investing activities</b>			
Net payments on the acquisition or disposal of fixed assets	(2 163)	(2 033)	(4 486)
Net receipts/(payments) on investment properties	12	366	375
Net investment in long-term shares	(9 081)	(152)	(627)
Dividends received on long-term investments in shares	821	296	344
<b>Net cash flow from investing activities</b>	<b>(10 411)</b>	<b>(1 522)</b>	<b>(4 393)</b>
<b>Financing activities</b>			
Receipts on issued bonds and commercial paper	899 621	1 093 027	3 205 879
Payments on redeemed bonds and commercial paper	(850 487)	(1 086 236)	(3 213 010)
Interest payments on issued bonds and commercial paper	(2 875)	(6 467)	(9 446)
Receipts on issued senior non-preferred bonds	727	22 862	29 421
Interest payments on senior non-preferred bonds	(234)	(47)	(184)
Receipts on issued subordinated loan capital	4 665		4 845
Redemptions of subordinated loan capital	(10 676)		(2 947)
Interest payments on subordinated loan capital	(331)	(306)	(440)
Net payments on redemption of additional Tier 1 capital	(6 548)	(1 400)	(1 400)
Interest payments on additional Tier 1 capital	(500)	(513)	(926)
Lease payments	(285)	(247)	(580)
Net sale of own shares	0	10	20
Dividend payments	(15 116)	(13 023)	(26 976)
<b>Net cash flow from financing activities</b>	<b>17 961</b>	<b>7 660</b>	<b>(15 744)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(583)</b>	<b>(4 827)</b>	<b>(2 805)</b>
<b>Net cash flow</b>	<b>89 940</b>	<b>228 128</b>	<b>18 643</b>
Cash as at 1 January	307 735	289 092	289 092
Net receipts of cash	89 940	228 128	18 643
Cash at end of period <sup>1)</sup>	397 675	517 220	307 735
*) <i>Of which: Cash and deposits with central banks</i>	382 631	513 674	296 727
<i>Deposits with credit institutions with no agreed period of notice <sup>1)</sup></i>	15 045	3 546	11 008

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

## **Note G1**      **Basis for preparation**

---

The quarterly financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board and as adopted by the European Union. When preparing the consolidated financial statements, the management makes estimates, judgements and assumptions that affect the application of the accounting principles, as well as income, expenses, and the carrying amount of assets and liabilities. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the accounting policies, significant estimates, and areas where judgement is applied by the Group, can be found in Note 1 Accounting principles in the annual report for 2021. In the interim report, the accounting policies, significant estimates, and areas where judgement is applied by the Group are in conformity with those described in the annual report.

## **Note G2**      **Acquisition of Sbanken**

---

On 15 April 2021, DNB announced an agreement with Sbanken ASA to launch a recommended voluntary cash tender offer for 100 per cent of the Sbanken shares at a price of NOK 103.85 per share. The offer price was later adjusted to NOK 108.85 per share. On 1 October 2021, Sbanken announced that it had decided to distribute a dividend of NOK 4.40 per share. As a result, the price per share was adjusted to NOK 104.45 in accordance with the terms in the offer document.

Following the required regulatory approvals, the transaction was completed on 30 March 2022. On this date, DNB Bank ASA held 10.53 per cent of the shares acquired directly in the market. After the approval, DNB held a total of 91.78 per cent of the shares and voting interests in Sbanken. DNB immediately announced that it would carry out a compulsory acquisition of the remaining shares in the Sbanken. The consideration offered under the compulsory acquisition was NOK 104.45 per share, and the final settlement was made in April 2022, after which DNB held 100 per cent of the shares and voting interests in Sbanken. Following the completion of the acquisition, DNB has started the process to merge the two Sbanken legal entities, Sbanken ASA and Sbanken Boligkreditt AS, with DNB's legal entities, DNB Bank ASA and DNB Boligkreditt AS, respectively.

Sbanken was established in 2000 as the first pure-play digital bank in Norway and was listed on Oslo Børs (the Oslo Stock Exchange) in 2015. Today, the bank is positioned as one of the leading digital retail banks in Norway with 484 000 personal customers at year-end 2021. The company has had the most satisfied banking customers in Norway for the last 20 years. In addition to a strong position within current accounts and home mortgages, Sbanken also has a good position in the savings market, with NOK 33 billion in customers' investments in mutual funds, and has launched several successful offerings in the SME segment, resulting in 10 000 customers at year-end 2021.

DNB believes that Sbanken will further strengthen its position within retail banking in its home market. In addition, Sbanken will complement DNB within the savings area, which is a growth area for DNB, and also bring in highly skilled technology personnel. The transaction is expected to be accretive and to positively impact earnings per share and return on equity for DNB. Synergies are expected to be realised within both Sbanken and DNB.

As DNB held an ownership interest in Sbanken at the date of the acquisition, this business combination is being achieved in stages. The fair value of DNB Bank's 10.53 per cent ownership interest was NOK 1.2 billion on the acquisition date.

The total transaction price for 100 per cent of the shares amounted to NOK 11.2 billion. In the DNB Group, Sbanken is part of the personal customers segment.



## Note G2 Acquisition of Sbanken (continued)

The purchase price allocation has been determined to be final at the end of second quarter. The fair values of the identifiable assets and liabilities of Sbanken at the acquisition date 30 March 2022 are presented in the following table.

<i>Amounts in NOK million</i>	<i>30 March 2022</i>
<b>Assets</b>	
Loans to customers	89 095
Other financial assets	14 243
Other non-financial assets	731
<b>Total assets</b>	<b>104 069</b>
<b>Liabilities</b>	
Deposits from customers	64 933
Debt securities issued and senior non-preferred bonds	29 368
Other financial liabilities	1 649
Other non-financial liabilities	216
<b>Total liabilities</b>	<b>96 166</b>
<b>Net identifiable assets acquired</b>	
	<b>7 903</b>
Goodwill	4 026
Additional Tier 1 instruments issued by Sbanken ASA	(702)
<b>Total consideration for 100 per cent of shares, settled in cash</b>	<b>11 228</b>

At the time of the acquisition, Sbanken ASA had issued Additional Tier 1 (AT1) instruments amounting to NOK 702 million. These are instruments that due to specific terms do not meet the definition of a liability and are therefore presented as equity in Sbanken's consolidated financial statements. In the purchase price allocation, these instruments were treated as if they were non-controlling interests. In DNB Group's consolidated equity, these instruments are presented on the line Additional Tier 1 capital.

DNB has identified intangible assets and accounted for these separately in the final purchase price allocation. This comprises NOK 227 million relating to brand name and NOK 161 million relating to deposit customers that provide funding at lower interest rates than other funding. The intangible assets are presented under Other non-financial assets in the table above. Amortisation of the brand will be carried out over a period of 8 years, and the customers' intangible assets will be amortised over a period of 10 years.

The goodwill of NOK 4.0 billion comprises the value of expected synergies arising from the acquisition, assembled workforce, and deferred tax on excess values. The goodwill is not expected to be deductible for income tax purposes.

DNB has used external advisers in the process to acquire Sbanken, and NOK 43.8 million was recognised in the income statement for acquisition-related costs at end-June 2022. NOK 32.9 million of this was recognised in 2021. As the acquisition took place on 30 March 2022, there were no contributions from Sbanken to the DNB Group's income statements during the first quarter of 2022. If the business combination had taken place at the beginning of the year, the Group's net interest income would have been NOK 22 348 million, and pre-tax operating profit for the Group would have been NOK 19 996 million at end-June 2022.

## Note G3 Segments

According to DNB's management model, the operating segments are independent profit centres that are fully responsible for their profit after tax and for achieving the targeted returns on allocated capital. DNB has the following operating segments: Personal customers, Corporate customers, Risk management and Traditional pension products (with guaranteed rate of return). The Risk management and Traditional pension products segments are included in Other operations. DNB's share of profit in associated companies (most importantly Luminor, Vipps and Fremtind) is included in Other operations.

Income statement, second quarter	DNB Group									
	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter	
<i>Amounts in NOK million</i>	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net interest income	3 946	3 244	7 128	5 912	451	253			11 525	9 409
Net other operating income	1 380	1 400	2 645	2 264	1 089	1 512	(319)	(991)	4 794	4 184
Total income	5 326	4 644	9 773	8 176	1 540	1 765	(319)	(991)	16 319	13 593
Operating expenses	(2 668)	(2 322)	(3 669)	(3 289)	(506)	(1 419)	319	991	(6 524)	(6 038)
Pre-tax operating profit before impairment	2 658	2 322	6 104	4 887	1 034	346			9 795	7 555
Net gains on fixed and intangible assets		0	1	(0)	(0)	(103)			0	(103)
Impairment of financial instruments	(65)	114	276	709	(1)	10			209	833
Profit from repossessed operations			86	(61)	(86)	61				
Pre-tax operating profit	2 592	2 437	6 466	5 535	947	313			10 005	8 285
Tax expense	(648)	(609)	(1 616)	(1 384)	(37)	170			(2 301)	(1 823)
Profit from operations held for sale, after taxes					81	(30)			81	(30)
Profit for the period	1 944	1 827	4 849	4 151	992	454			7 785	6 432

Income statement, January-June	DNB Group									
	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	Jan.-June		Jan.-June		Jan.-June		Jan.-June		Jan.-June	
<i>Amounts in NOK million</i>	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net interest income	7 177	6 227	13 629	11 689	1 164	723			21 970	18 639
Net other operating income	2 645	2 642	5 627	4 403	1 979	3 073	(760)	(1 818)	9 490	8 300
Total income	9 822	8 869	19 256	16 093	3 143	3 795	(760)	(1 818)	31 460	26 939
Operating expenses	(4 948)	(4 565)	(7 205)	(6 527)	(1 097)	(2 582)	760	1 818	(12 489)	(11 855)
Pre-tax operating profit before impairment	4 874	4 304	12 051	9 566	2 045	1 214			18 970	15 084
Net gains on fixed and intangible assets		1	1	(0)	(0)	(107)			1	(106)
Impairment of financial instruments	(53)	137	852	803	(1)	3			798	943
Profit from repossessed operations			134	(100)	(134)	100				
Pre-tax operating profit	4 821	4 442	13 039	10 270	1 910	1 209			19 770	15 920
Tax expense	(1 205)	(1 110)	(3 260)	(2 567)	(82)	175			(4 547)	(3 503)
Profit from operations held for sale, after taxes					117	(101)			117	(101)
Profit for the period	3 615	3 331	9 779	7 702	1 945	1 283			15 340	12 317

For further details about the reportable segments, quarterly results and explanatory comments, see the directors' report.

## Note G4 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRR/CRD). 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.

Own funds	DNB Group		
	30 June 2022	31 Dec. 2021	30 June 2021
<i>Amounts in NOK million</i>			
Total equity	239 123	243 912	245 548
Effect from regulatory consolidation	(6 483)	(6 605)	(6 624)
Adjustment to retained earnings for foreseeable dividends	(7 180)		(5 346)
Additional Tier 1 capital instruments included in total equity	(11 174)	(16 595)	(16 595)
Net accrued interest on additional Tier 1 capital instruments	(261)	(285)	(253)
Common equity Tier 1 capital instruments	214 023	220 427	216 731
Regulatory adjustments			
Goodwill	(8 864)	(4 794)	(4 676)
Deferred tax assets that rely on future profitability, excluding temporary differences	(440)	(439)	(978)
Other intangible assets	(1 954)	(1 814)	(1 388)
Dividends payable and group contributions		(15 116)	(13 953)
Deduction for investments in insurance companies <sup>1)</sup>	(5 670)	(5 242)	(6 047)
IRB provisions shortfall (-)	(2 832)	(2 540)	(2 068)
Additional value adjustments (AVA)	(1 210)	(1 002)	(1 146)
Insufficient coverage for non-performing exposures	(29)	(42)	(0)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(161)	(45)	3
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(249)	(88)	(85)
Common equity Tier 1 capital	192 614	189 305	186 393
Additional Tier 1 capital instruments	11 174	16 595	16 595
Deduction of holdings of Tier 1 instruments in insurance companies <sup>2)</sup>	(1 500)	(1 500)	(1 500)
Non-eligible Tier 1 capital, DNB Group <sup>3)</sup>	(134)		(2 938)
Additional Tier 1 capital instruments	9 540	15 095	12 157
Tier 1 capital	202 155	204 400	198 550
Perpetual subordinated loan capital	5 602	5 752	5 619
Term subordinated loan capital	22 028	29 237	25 577
Deduction of holdings of Tier 2 instruments in insurance companies <sup>2)</sup>	(5 588)	(5 588)	(5 750)
Non-eligible Tier 2 capital, DNB Group <sup>3)</sup>	(150)		(6 791)
Additional Tier 2 capital instruments	21 892	29 401	18 656
Own funds	224 047	233 801	217 206
Total risk exposure amount	1 070 703	973 431	976 567
Minimum capital requirement	85 656	77 875	78 125
Capital ratios:			
Common equity Tier 1 capital ratio	18.0	19.4	19.1
Tier 1 capital ratio	18.9	21.0	20.3
Total capital ratio	20.9	24.0	22.2
<b>Own funds and capital ratios excluding interim profit</b>			
Common equity Tier 1 capital	184 598		180 456
Tier 1 capital	194 138		192 613
Own funds	216 031		211 269
Common equity Tier 1 capital ratio	17.2		18.5
Tier 1 capital ratio	18.1		19.7
Total capital ratio	20.2		21.6

1) Deductions are made for significant investments in financial sector entities when the total value of the investments exceeds 10 per cent of common equity Tier 1 capital. The amounts that are not deducted are given a risk weight of 250 per cent.

2) Investments in Tier 1 and Tier 2 instruments issued by the Group's insurance companies are deducted from the Group's Tier 1 and Tier 2 capital.

3) Tier 1 and Tier 2 capital in subsidiaries not included in consolidated own funds in accordance with Articles 85-88 of the CRR.

## Note G4 Capital adequacy (continued)

The majority of the credit portfolios are reported according to the IRB approach. Exposures to central and regional governments, institutions, equity positions and other assets are, however, reported according to the standardised approach.

Specification of exposures	DNB Group					
	Original exposure 30 June 2022	Exposure at default (EAD) 30 June 2022	Average risk weight in per cent 30 June 2022	Risk exposure amount (REA) 30 June 2022	Capital requirement 30 June 2022	Capital requirement 31 Dec. 2021
<i>Amounts in NOK million</i>						
<b>IRB approach</b>						
Corporate exposures	1 146 216	939 618	43.1	404 892	32 391	30 188
<i>of which specialised lending (SL)</i>	14 983	13 865	55.6	7 711	617	278
<i>of which small and medium-sized enterprises (SME)</i>	213 679	188 835	43.9	82 929	6 634	7 057
<i>of which other corporates</i>	917 554	736 918	42.6	314 252	25 140	22 852
Retail exposures	998 648	981 741	22.2	218 401	17 472	17 294
<i>of which secured by mortgages on immovable property</i>	908 108	908 108	21.5	195 237	15 619	15 503
<i>of which other retail</i>	90 540	73 633	31.5	23 165	1 853	1 791
<b>Total credit risk, IRB approach</b>	<b>2 144 864</b>	<b>1 921 359</b>	<b>32.4</b>	<b>623 294</b>	<b>49 864</b>	<b>47 481</b>
<b>Standardised approach</b>						
Central government and central banks	407 139	406 236	0.0	1	0	49
Regional government or local authorities	48 798	42 596	2.6	1 126	90	93
Public sector entities	59 943	59 289	0.6	338	27	29
Multilateral development banks	36 546	37 272				
International organisations	1 448	1 448				
Institutions	103 546	64 343	33.1	21 327	1 706	1 701
Corporate	205 114	183 452	73.0	133 888	10 711	9 143
Retail	184 250	69 463	74.6	51 806	4 144	3 527
Secured by mortgages on immovable property	137 180	120 716	39.9	48 179	3 854	1 186
Exposures in default	2 992	1 992	130.8	2 605	208	238
Items associated with particular high risk	668	660	150.0	990	79	79
Covered bonds	45 494	45 494	10.0	4 551	364	268
Collective investment undertakings	1 057	1 057	18.8	199	16	18
Equity positions	23 709	23 708	220.6	52 298	4 184	4 251
Other assets	24 631	24 631	50.5	12 429	994	724
<b>Total credit risk, standardised approach</b>	<b>1 282 516</b>	<b>1 082 359</b>	<b>30.5</b>	<b>329 737</b>	<b>26 379</b>	<b>21 304</b>
<b>Total credit risk</b>	<b>3 427 380</b>	<b>3 003 718</b>	<b>31.7</b>	<b>953 031</b>	<b>76 242</b>	<b>68 785</b>
<b>Market risk</b>						
Position and general risk, debt instruments				10 413	833	621
Position and general risk, equity instruments				762	61	53
Currency risk				27	2	2
Commodity risk				0	0	0
<b>Total market risk</b>				<b>11 202</b>	<b>896</b>	<b>677</b>
Credit value adjustment risk (CVA)				5 315	425	542
Operational risk				101 154	8 092	7 870
<b>Total risk exposure amount</b>				<b>1 070 703</b>	<b>85 656</b>	<b>77 875</b>

## Note G5 Development in gross carrying amount and maximum exposure

Loans to customers at amortised cost	DNB Group							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>								
<b>Gross carrying amount as at 31 Dec.</b>	<b>1 566 150</b>	<b>112 099</b>	<b>30 453</b>	<b>1 708 702</b>	<b>1 482 987</b>	<b>137 450</b>	<b>32 020</b>	<b>1 652 457</b>
Transfer to stage 1	47 923	(45 844)	(2 080)		54 532	(53 629)	(903)	
Transfer to stage 2	(72 572)	73 656	(1 084)		(59 313)	59 945	(632)	
Transfer to stage 3	(851)	(1 714)	2 565		(1 919)	(5 416)	7 335	
Originated and purchased	258 937	4 191	801	263 929	218 889	4 632	1 212	224 733
Derecognition	(157 069)	(19 410)	(2 137)	(178 616)	(173 882)	(21 211)	(7 117)	(202 210)
Acquisition of Sbanken	77 255	3 309	826	81 390				
Exchange rate movements	4 685	891	73	5 650	(3 056)	(199)	(28)	(3 283)
Other								
<b>Gross carrying amount as at 30 June</b>	<b>1 724 459</b>	<b>127 178</b>	<b>29 419</b>	<b>1 881 056</b>	<b>1 518 239</b>	<b>121 572</b>	<b>31 886</b>	<b>1 671 696</b>

Financial commitments	DNB Group							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>								
<b>Maximum exposure as at 31 Dec.</b>	<b>702 470</b>	<b>30 054</b>	<b>5 330</b>	<b>737 854</b>	<b>657 434</b>	<b>36 478</b>	<b>6 024</b>	<b>699 937</b>
Transfer to stage 1	14 877	(14 157)	(720)		12 514	(11 988)	(526)	
Transfer to stage 2	(17 444)	17 489	(45)		(14 141)	15 306	(1 164)	
Transfer to stage 3	(339)	(149)	488			(283)	282	
Originated and purchased	216 794	1 012	198	218 003	236 096	2 476	93	238 665
Derecognition	(225 152)	(4 372)	(442)	(229 967)	(202 294)	(6 473)	(4)	(208 771)
Acquisition of Sbanken	28 435			28 435				
Exchange rate movements	7 453	413		7 867	(1 674)	22	(12)	(1 665)
<b>Maximum exposure as at 30 June</b>	<b>727 094</b>	<b>30 291</b>	<b>4 808</b>	<b>762 193</b>	<b>687 936</b>	<b>35 538</b>	<b>4 693</b>	<b>728 167</b>

## Note G6 Development in accumulated impairment of financial instruments

Loans to customers at amortised cost	DNB Group							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>								
<b>Accumulated impairment as at 31 Dec.</b>	<b>(533)</b>	<b>(749)</b>	<b>(8 700)</b>	<b>(9 982)</b>	<b>(765)</b>	<b>(1 214)</b>	<b>(12 039)</b>	<b>(14 018)</b>
Transfer to stage 1	(105)	105			(179)	178	1	
Transfer to stage 2	45	(52)	8		141	(154)	13	
Transfer to stage 3		13	(13)		1	58	(60)	
Originated and purchased	(128)	(36)		(164)	(175)	(109)		(284)
Increased expected credit loss	(157)	(360)	(1 683)	(2 199)	(197)	(715)	(2 193)	(3 105)
Decreased (reversed) expected credit loss	311	257	1 535	2 103	520	588	2 641	3 748
Write-offs			1 827	1 827			1 065	1 065
Derecognition	21	106	4	130	85	277	64	426
Acquisition of Sbanken	(9)	(44)	(275)	(328)				
Exchange rate movements	(4)	(19)	(46)	(69)	3			4
Other								
<b>Accumulated impairment as at 30 June</b>	<b>(560)</b>	<b>(780)</b>	<b>(7 343)</b>	<b>(8 683)</b>	<b>(566)</b>	<b>(1 091)</b>	<b>(10 507)</b>	<b>(12 165)</b>

Financial commitments	DNB Group							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>								
<b>Accumulated impairment as at 31 Dec.</b>	<b>(211)</b>	<b>(330)</b>	<b>(669)</b>	<b>(1 209)</b>	<b>(284)</b>	<b>(566)</b>	<b>(601)</b>	<b>(1 451)</b>
Transfer to stage 1	(82)	82			(59)	59		
Transfer to stage 2	15	(15)			34	(36)	1	
Transfer to stage 3						13	(13)	
Originated and purchased	(76)	(4)		(79)	(99)	(17)		(116)
Increased expected credit loss	(17)	(75)	(15)	(106)	(48)	(155)	(254)	(458)
Decreased (reversed) expected credit loss	205	53	479	737	212	196	407	814
Derecognition	7	30	9	46	5	96		101
Acquisition of Sbanken	(2)	(2)	(1)	(5)				
Exchange rate movements	(2)	(9)		(11)	1			1
Other								
<b>Accumulated impairment as at 30 June</b>	<b>(162)</b>	<b>(269)</b>	<b>(197)</b>	<b>(628)</b>	<b>(238)</b>	<b>(410)</b>	<b>(460)</b>	<b>(1 108)</b>

For explanatory comments about the impairment of financial instruments, see the directors' report.

## Note G7 Loans and financial commitments to customers by industry segment

Loans to customers as at 30 June 2022	Gross carrying amount	Accumulated impairment			Loans at fair value	DNB Group Total
		Stage 1	Stage 2	Stage 3		
<i>Amounts in NOK million</i>						
Bank, insurance and portfolio management	88 173	(17)	(16)	(62)		88 078
Commercial real estate	228 986	(97)	(28)	(199)	87	228 748
Shipping	42 457	(44)	(22)	(188)		42 203
Oil, gas and offshore	49 576	(57)	(173)	(3 300)		46 046
Power and renewables	48 259	(13)	(8)	(566)		47 671
Healthcare	28 834	(6)	(0)			28 828
Public sector	3 489	(1)	(0)	(0)		3 488
Fishing, fish farming and farming	62 267	(15)	(27)	(132)	89	62 183
Retail industries	44 927	(33)	(30)	(198)	2	44 667
Manufacturing	42 100	(22)	(23)	(76)		41 980
Technology, media and telecom	24 788	(5)	(3)	(20)	(0)	24 760
Services	79 540	(51)	(54)	(376)	13	79 072
Residential property	116 743	(43)	(16)	(143)	178	116 719
Personal customers	946 135	(112)	(220)	(628)	51 760	996 934
Other corporate customers	74 781	(44)	(159)	(1 453)	9	73 134
<b>Total <sup>1)</sup></b>	<b>1 881 056</b>	<b>(560)</b>	<b>(780)</b>	<b>(7 343)</b>	<b>52 137</b>	<b>1 924 509</b>

1) Of which NOK 49 707 million in repo trading volumes.

Loans to customers as at 30 June 2021	Gross carrying amount	Accumulated impairment			Loans at fair value	DNB Group Total
		Stage 1	Stage 2	Stage 3		
<i>Amounts in NOK million</i>						
Bank, insurance and portfolio management	74 362	(20)	(27)	(150)		74 164
Commercial real estate	204 909	(86)	(65)	(332)	78	204 504
Shipping	37 259	(40)	(98)	(268)		36 853
Oil, gas and offshore	51 489	(47)	(248)	(6 689)		44 505
Power and renewables	35 959	(29)	(9)	(238)		35 684
Healthcare	15 096	(3)	(0)			15 092
Public sector	8 692	(15)	(0)	(0)		8 676
Fishing, fish farming and farming	50 668	(42)	(69)	(154)	106	50 509
Retail industries	38 727	(27)	(44)	(409)	3	38 250
Manufacturing	35 075	(32)	(55)	(79)		34 909
Technology, media and telecom	23 491	(15)	(8)	(20)	0	23 447
Services	80 520	(68)	(88)	(936)	20	79 447
Residential property	103 122	(35)	(21)	(149)	238	103 155
Personal customers	845 776	(64)	(137)	(371)	50 941	896 145
Other corporate customers	66 554	(41)	(222)	(712)	11	65 589
<b>Total <sup>1)</sup></b>	<b>1 671 696</b>	<b>(566)</b>	<b>(1 091)</b>	<b>(10 507)</b>	<b>51 398</b>	<b>1 710 930</b>

1) Of which NOK 47 857 million in repo trading volumes.

## Note G7 Loans and financial commitments to customers by industry segment (continued)

Financial commitments as at 30 June 2022	Maximum exposure	Accumulated impairment			DNB Group
		Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>					
Bank, insurance and portfolio management	34 406	(6)	(1)	(0)	34 399
Commercial real estate	31 938	(12)	(2)	(1)	31 922
Shipping	9 631	(7)	(2)		9 622
Oil, gas and offshore	59 695	(32)	(80)	(95)	59 488
Power and renewables	46 545	(9)	(4)		46 532
Healthcare	26 319	(4)	(0)		26 315
Public sector	10 095	(0)	(0)		10 095
Fishing, fish farming and farming	21 571	(4)	(4)	(0)	21 563
Retail industries	32 219	(16)	(6)	(4)	32 193
Manufacturing	47 980	(16)	(11)	(0)	47 952
Technology, media and telecom	22 120	(4)	(1)		22 114
Services	26 308	(16)	(43)	(9)	26 241
Residential property	39 613	(14)	(3)	(7)	39 589
Personal customers	316 478	(9)	(20)	(2)	316 447
Other corporate customers	37 274	(14)	(91)	(79)	37 090
<b>Total</b>	<b>762 193</b>	<b>(162)</b>	<b>(269)</b>	<b>(197)</b>	<b>761 565</b>

Financial commitments as at 30 June 2021	Maximum exposure	Accumulated impairment			DNB Group
		Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>					
Bank, insurance and portfolio management	40 843	(11)	(3)	(0)	40 829
Commercial real estate	30 442	(16)	(1)	(1)	30 423
Shipping	10 029	(9)	(2)		10 019
Oil, gas and offshore	47 402	(47)	(213)	(254)	46 888
Power and renewables	34 739	(20)	(3)	0	34 716
Healthcare	20 281	(4)	(0)		20 277
Public sector	7 944	(0)			7 944
Fishing, fish farming and farming	21 312	(16)	(7)	(4)	21 286
Retail industries	34 182	(18)	(11)	(6)	34 146
Manufacturing	50 796	(16)	(39)	(1)	50 741
Technology, media and telecom	22 450	(9)	(5)	(0)	22 437
Services	29 566	(29)	(29)	(9)	29 499
Residential property	41 140	(14)	(2)	(8)	41 116
Personal customers	300 570	(12)	(24)	(0)	300 534
Other corporate customers	36 470	(17)	(71)	(177)	36 206
<b>Total</b>	<b>728 167</b>	<b>(238)</b>	<b>(410)</b>	<b>(460)</b>	<b>727 059</b>



## Note G8 Financial instruments at fair value

<i>Amounts in NOK million</i>	<b>DNB Group</b>			
	Level 1	Level 2	Level 3	Total
<b>Assets as at 30 June 2022</b>				
Loans to customers			52 137	52 137
Commercial paper and bonds	44 578	279 871	982	325 431
Shareholdings	4 819	14 765	15 030	34 614
Financial assets, customers bearing the risk		130 260		130 260
Financial derivatives	3 185	229 176	3 588	235 950
<b>Liabilities as at 30 June 2022</b>				
Deposits from customers		12 049		12 049
Debt securities issued		7 418		7 418
Senior non-preferred bonds		959		959
Subordinated loan capital		408		408
Financial derivatives	5 409	202 987	3 271	211 668
Other financial liabilities <sup>1)</sup>	3 991			3 991
<b>Assets as at 30 June 2021</b>				
Loans to customers			51 398	51 398
Commercial paper and bonds	33 789	283 143	954	317 886
Shareholdings	7 200	15 630	11 676	34 506
Financial assets, customers bearing the risk		129 966		129 966
Financial derivatives	1 878	125 750	1 445	129 073
<b>Liabilities as at 30 June 2021</b>				
Deposits from customers		10 351		10 351
Debt securities issued		17 040		17 040
Senior non-preferred bonds		1 117		1 117
Subordinated loan capital		175		175
Financial derivatives	2 209	114 608	1 143	117 961
Other financial liabilities <sup>1)</sup>	2 623	(0)	0	2 623

1) Short positions, trading activities.

For a further description of the instruments and valuation techniques, see the annual report for 2021.

<i>Amounts in NOK million</i>	<b>DNB Group</b>				
	Financial assets				Financial liabilities
	Loans to customers	Commercial paper and bonds	Shareholdings	Financial derivatives	Financial derivatives
<b>Carrying amount as at 31 December 2020</b>	<b>55 372</b>	<b>283</b>	<b>10 787</b>	<b>1 877</b>	<b>1 513</b>
Net gains recognised in the income statement	(645)	(1)	344	(285)	(214)
Additions/purchases	4 421	488	1 251	215	206
Sales		(368)	(703)		
Settled	(7 650)	(11)		(362)	(361)
Transferred from level 1 or level 2		740			
Transferred to level 1 or level 2		(200)	(2)		
Other	(100)	24	(0)		
<b>Carrying amount as at 30 June 2021</b>	<b>51 398</b>	<b>954</b>	<b>11 676</b>	<b>1 445</b>	<b>1 143</b>
<b>Carrying amount as at 31 December 2021</b>	<b>46 202</b>	<b>351</b>	<b>12 802</b>	<b>1 858</b>	<b>1 605</b>
Net gains recognised in the income statement	(2 187)	(65)	644	768	779
Acquisition of Sbanken	8 033		144		
Additions/purchases	6 027	548	1 974	1 307	1 233
Sales		(77)	(531)		
Settled	(5 790)			(356)	(352)
Transferred from level 1 or level 2		239			
Transferred to level 1 or level 2		(186)	(2)		
Other	(149)	171	0	12	6
<b>Carrying amount as at 30 June 2022</b>	<b>52 137</b>	<b>982</b>	<b>15 030</b>	<b>3 588</b>	<b>3 271</b>

## Note G8 Financial instruments at fair value (continued)

### Sensitivity analysis, level 3

An increase in the discount rate on fixed-rate loans by 10 basis points will decrease the fair value by NOK 141 million. The effects on other Level 3 financial instruments are insignificant.

## Note G9 Debt securities issued, senior non-preferred bonds and subordinated loan capital

As an element in liquidity management, the DNB Group issues and redeems own securities issued by DNB Bank ASA and DNB Boligkreditt AS (Bond debt only).

Amounts in NOK million	Debt securities issued 2022						DNB Group
	Balance sheet 30 June 2022	Issued 2022	Matured/ redeemed 2022	Exchange rate movements 2022	Other changes 2022	Acquisition of Sbanken 2022	Balance sheet 31 Dec. 2021
Commercial papers issued, nominal amount	264 832	854 479	(766 018)	9 524			166 847
Bond debt, nominal amount <sup>1)</sup>	188 937	45 109	(16 439)	8 866		4 034	147 367
Covered bonds, nominal amount <sup>1)</sup>	337 597	32	(68 029)	9 176		22 682	373 736
Value adjustments	(12 813)			9	(27 865)	234	14 809
<b>Debt securities issued</b>	<b>778 553</b>	<b>899 621</b>	<b>(850 487)</b>	<b>27 576</b>	<b>(27 865)</b>	<b>26 950</b>	<b>702 759</b>
<i>Of which DNB Bank ASA</i>	<i>447 144</i>	<i>899 588</i>	<i>(782 331)</i>	<i>18 400</i>	<i>(4 751)</i>		<i>316 238</i>

<sup>1)</sup> Excluding own bonds. The total nominal amount of outstanding covered bonds in DNB Boligkreditt was NOK 380.0 billion as at 30 June 2022. The market value of the cover pool represented NOK 682.9 billion.

Amounts in NOK million	Debt securities issued 2021						DNB Group
	Balance sheet 30 June 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021	Acquisition of Sbanken 2021	Balance sheet 31 Dec. 2020
Commercial papers issued, nominal amount	193 710	1 066 597	(1 003 139)	(7 678)			137 931
Bond debt, nominal amount	135 906	393	(37 139)	(2 463)			175 115
Covered bonds, nominal amount	405 358	26 038	(45 958)	(8 776)			434 054
Value adjustments	20 029				(10 701)		30 729
<b>Debt securities issued</b>	<b>755 002</b>	<b>1 093 027</b>	<b>(1 086 236)</b>	<b>(18 918)</b>	<b>(10 701)</b>		<b>777 829</b>
<i>Of which DNB Bank ASA</i>	<i>332 459</i>	<i>1 066 989</i>	<i>(1 040 278)</i>	<i>(10 142)</i>	<i>(2 363)</i>		<i>318 252</i>

Amounts in NOK million	Senior non-preferred bonds 2022						DNB Group
	Balance sheet 30 June 2022	Issued 2022	Matured/ redeemed 2022	Exchange rate movements 2022	Other changes 2022	Acquisition of Sbanken 2022	Balance sheet 31 Dec. 2021
Senior non-preferred bonds, nominal amount	44 512	727		3 285		2 000	38 499
Value adjustments	(3 895)				(3 121)	(43)	(730)
<b>Senior non-preferred bonds</b>	<b>40 617</b>	<b>727</b>	<b>0</b>	<b>3 285</b>	<b>(3 121)</b>	<b>1 957</b>	<b>37 769</b>
<i>Of which DNB Bank ASA</i>	<i>38 678</i>	<i>727</i>		<i>3 285</i>	<i>(3 104)</i>		<i>37 769</i>

Amounts in NOK million	Senior non-preferred bonds 2021						DNB Group
	Balance sheet 30 June 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021	Acquisition of Sbanken 2021	Balance sheet 31 Dec. 2020
Senior non-preferred bonds, nominal amount	31 598	22 862		217			8 519
Value adjustments	(248)				(252)		4
<b>Senior non-preferred bonds</b>	<b>31 351</b>	<b>22 862</b>	<b>0</b>	<b>217</b>	<b>(252)</b>		<b>8 523</b>

## Note G9 Debt securities issued, senior non-preferred bonds and subordinated loan capital (continued)

Subordinated loan capital and perpetual subordinated loan capital securities 2022							DNB Group
	Balance sheet 30 June 2022	Issued 2022	Matured/ redeemed 2022	Exchange rate movements 2022	Other changes 2022	Acquisition of Sbanken 2022	Balance sheet 31 Dec. 2021
<i>Amounts in NOK million</i>							
Term subordinated loan capital, nominal amount	22 028	4 665	(10 676)	67		900	27 073
Perpetual subordinated loan capital, nominal amount	6 332			580			5 752
Value adjustments	(15)		1		(250)	12	223
<b>Subordinated loan capital and perpetual subordinated loan capital securities</b>	<b>28 345</b>	<b>4 665</b>	<b>(10 675)</b>	<b>647</b>	<b>(250)</b>	<b>912</b>	<b>33 047</b>
<i>Of which DNB Bank ASA</i>	<i>27 434</i>	<i>4 665</i>	<i>(10 676)</i>	<i>647</i>	<i>(249)</i>		<i>33 047</i>
Subordinated loan capital and perpetual subordinated loan capital securities 2021							DNB Group
	Balance sheet 30 June 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021		Balance sheet 31 Dec. 2020
<i>Amounts in NOK million</i>							
Term subordinated loan capital, nominal amount	25 577			(743)			26 320
Perpetual subordinated loan capital, nominal amount	5 619			(21)			5 640
Value adjustments	204				(155)		359
<b>Subordinated loan capital and perpetual subordinated loan capital securities</b>	<b>31 400</b>	<b>0</b>	<b>0</b>	<b>(764)</b>	<b>(155)</b>		<b>32 319</b>

## Note G10 Contingencies

Due to its extensive operations in Norway and abroad, the DNB Group will regularly be party to various legal actions and tax-related disputes. None of the current disputes are expected to have any material impact on the Group's financial position. Disputes of significant importance are described below.

### Tax effect of debt interest distribution with international branch offices

In the second quarter of 2021, DNB Bank ASA received a decision from the Norwegian tax authorities relating to the deduction of external interest expenses. According to Norwegian tax legislation, external interest expenses are to be allocated proportionally among DNB Bank ASA's operations in Norway and certain international branch offices, based on the respective entities' total assets. This could result in additions to or deductions from the companies' income in Norway. The decision means that the limitation of interest deduction is calculated by including internal receivables, and covers the fiscal years 2015–2019. The decision represents a tax exposure of NOK 1.7 billion for the period in question. The effect for subsequent years is not considered to be significant.

DNB disagrees with the tax authorities' interpretation of the legislation. Legal proceedings were initiated in 2021, and the court proceedings at the first level took place at the beginning of May 2022. The first-level court decision of 4 June 2022 was not in favour of DNB, and DNB intends to appeal this decision. DNB is still of the opinion that it has a strong case in the proceedings, and no provisions have been recognised in the accounts at the end of the second quarter of 2022.

### Tax effect of the reorganisation of the lending activities in Sweden and the UK in 2015

In the second quarter of 2022, DNB Bank ASA received a notice from the Norwegian tax authorities relating to a reorganisation of the lending activities in Sweden and in the UK in 2015. The tax authorities questioned the valuation and calculation of taxable gains/losses relating to loan portfolios that were sold from branches of DNB Bank ASA to subsidiaries in Sweden and the UK. The Group's maximum tax exposure is estimated to be approximately NOK 1.1 billion. DNB disagrees with the Norwegian tax authorities' approach. It is DNB's view that it has a strong case, and no provisions have been recognised in the accounts at the end of the second quarter of 2022.

See also note G26 Taxes in the annual report for 2021.

# Accounts for DNB Bank ASA

## P – Income statement

<i>Amounts in NOK million</i>	DNB Bank ASA				
	2nd quarter 2022	2nd quarter 2021	Jan.-June 2022	Jan.-June 2021	Full year 2021
Interest income, amortised cost	11 281	7 238	20 557	14 694	30 653
Other interest income	709	565	1 318	1 282	2 247
Interest expenses, amortised cost	(3 709)	(1 242)	(5 686)	(2 603)	(5 240)
Other interest expenses	610	382	935	506	1 057
<b>Net interest income</b>	<b>8 892</b>	<b>6 943</b>	<b>17 125</b>	<b>13 879</b>	<b>28 718</b>
Commission and fee income	2 298	2 315	4 521	4 532	9 026
Commission and fee expenses	(767)	(784)	(1 434)	(1 634)	(3 193)
Net gains on financial instruments at fair value	1 282	608	1 551	2 164	3 247
Other income	1 997	1 093	2 788	2 585	10 607
<b>Net other operating income</b>	<b>4 810</b>	<b>3 232</b>	<b>7 426</b>	<b>7 648</b>	<b>19 687</b>
<b>Total income</b>	<b>13 702</b>	<b>10 175</b>	<b>24 550</b>	<b>21 527</b>	<b>48 405</b>
Salaries and other personnel expenses	(2 932)	(2 836)	(5 686)	(5 519)	(11 331)
Other expenses	(1 697)	(1 467)	(3 269)	(2 906)	(5 971)
Depreciation and impairment of fixed and intangible assets	(849)	(840)	(1 693)	(1 645)	(3 342)
<b>Total operating expenses</b>	<b>(5 478)</b>	<b>(5 143)</b>	<b>(10 647)</b>	<b>(10 070)</b>	<b>(20 643)</b>
<b>Pre-tax operating profit before impairment</b>	<b>8 224</b>	<b>5 032</b>	<b>13 903</b>	<b>11 457</b>	<b>27 762</b>
Net gains on fixed and intangible assets	33	1	34	17	28
Impairment of financial instruments	69	674	581	666	263
<b>Pre-tax operating profit</b>	<b>8 325</b>	<b>5 707</b>	<b>14 518</b>	<b>12 139</b>	<b>28 053</b>
Tax expense	(1 915)	(1 256)	(3 339)	(2 671)	(5 710)
<b>Profit for the period</b>	<b>6 410</b>	<b>4 452</b>	<b>11 179</b>	<b>9 469</b>	<b>22 342</b>
Portion attributable to shareholders of DNB Bank ASA	6 280	4 217	10 823	8 994	21 420
Portion attributable to additional Tier 1 capital holders	131	235	356	474	922
<b>Profit for the period</b>	<b>6 410</b>	<b>4 452</b>	<b>11 179</b>	<b>9 469</b>	<b>22 342</b>

## P – Comprehensive income statement

<i>Amounts in NOK million</i>	DNB Bank ASA				
	2nd quarter 2022	2nd quarter 2021	Jan.-June 2022	Jan.-June 2021	Full year 2021
<b>Profit for the period</b>	<b>6 410</b>	<b>4 452</b>	<b>11 179</b>	<b>9 469</b>	<b>22 342</b>
Actuarial gains and losses	118		523	(151)	(180)
Financial liabilities designated at FVTPL, changes in credit risk	37	(3)	84	(2)	29
Tax	(32)	1	(145)	38	40
Items that will not be reclassified to the income statement	124	(2)	463	(115)	(111)
Currency translation of foreign operations	20	19	(47)	(52)	(74)
Financial assets at fair value through OCI	(274)	(82)	(619)	23	(44)
Tax	69	20	155	(6)	11
Items that may subsequently be reclassified to the income statement	(186)	(42)	(511)	(35)	(108)
<b>Other comprehensive income for the period</b>	<b>(62)</b>	<b>(44)</b>	<b>(48)</b>	<b>(150)</b>	<b>(218)</b>
<b>Comprehensive income for the period</b>	<b>6 348</b>	<b>4 407</b>	<b>11 130</b>	<b>9 319</b>	<b>22 124</b>

## P – Balance sheet

		DNB Bank ASA		
<i>Amounts in NOK million</i>	Note	30 June 2022	31 Dec. 2021	30 June 2021
<b>Assets</b>				
Cash and deposits with central banks		380 512	295 039	511 533
Due from credit institutions		497 150	417 777	359 660
Loans to customers	P3, P4	969 950	898 584	887 919
Commercial paper and bonds	P4	323 627	312 638	293 846
Shareholdings	P4	6 144	7 078	7 368
Financial derivatives	P4	256 053	157 085	138 706
Investments in associated companies		9 496	9 436	2 720
Investments in subsidiaries		133 644	119 228	105 647
Intangible assets		3 444	3 438	3 228
Deferred tax assets		136	124	5 150
Fixed assets		15 692	15 580	15 525
Other assets		22 082	29 091	16 065
<b>Total assets</b>		<b>2 617 929</b>	<b>2 265 097</b>	<b>2 347 365</b>
<b>Liabilities and equity</b>				
Due to credit institutions		312 156	246 335	351 761
Deposits from customers	P4	1 318 809	1 235 125	1 213 651
Financial derivatives	P4	225 976	136 311	138 508
Debt securities issued	P4	447 144	316 238	332 459
Payable taxes		3 533	189	2 478
Deferred taxes		3 801	3 752	18
Other liabilities		26 262	45 189	23 983
Provisions		644	1 229	1 099
Pension commitments		3 985	4 514	4 350
Senior non-preferred bonds		38 678	37 769	31 351
Subordinated loan capital	P4	27 434	33 047	31 400
<b>Total liabilities</b>		<b>2 408 422</b>	<b>2 059 698</b>	<b>2 131 057</b>
Additional Tier 1 capital		10 736	16 974	16 932
Share capital		19 380	19 379	19 380
Share premium		18 733	18 733	19 895
Other equity		160 659	150 312	160 101
<b>Total equity</b>		<b>209 507</b>	<b>205 399</b>	<b>216 308</b>
<b>Total liabilities and equity</b>		<b>2 617 929</b>	<b>2 265 097</b>	<b>2 347 365</b>

## P – Statement of changes in equity

DNB Bank ASA							
<i>Amounts in NOK million</i>	Share capital	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity	Total equity
<b>Balance sheet as at 31 December 2020</b>	<b>19 380</b>	<b>19 895</b>	<b>18 362</b>	<b>629</b>	<b>(29)</b>	<b>150 669</b>	<b>208 905</b>
Profit for the period			474			8 994	9 469
Actuarial gains and losses						(151)	(151)
Financial assets at fair value through OCI						23	23
Financial liabilities designated at FVTPL, changes in credit risk					(2)		(2)
Currency translation of foreign operations				(52)			(52)
Tax on other comprehensive income					1	32	33
Comprehensive income for the period			474	(52)	(2)	8 898	9 319
Interest payments AT1 capital			(513)				(513)
Currency movements on interest payments and redemption AT1 capital			9			(11)	(3)
Additional Tier 1 capital redeemed			(1 400)				(1 400)
<b>Balance sheet as at 30 June 2021</b>	<b>19 380</b>	<b>19 895</b>	<b>16 932</b>	<b>577</b>	<b>(31)</b>	<b>159 556</b>	<b>216 308</b>
<b>Balance sheet as at 31 December 2021</b>	<b>19 379</b>	<b>18 733</b>	<b>16 974</b>	<b>554</b>	<b>(8)</b>	<b>149 765</b>	<b>205 399</b>
Profit for the period			356			10 823	11 179
Actuarial gains and losses						523	523
Financial assets at fair value through OCI						(619)	(619)
Financial liabilities designated at FVTPL, changes in credit risk					84		84
Currency translation of foreign operations				(47)			(47)
Tax on other comprehensive income					(21)	31	10
Comprehensive income for the period			356	(47)	63	10 758	11 130
Interest payments additional Tier 1 capital			(492)				(492)
AT1 capital redeemed <sup>1)</sup>			(6 548)				(6 548)
Currency movements on interest payment and redemption AT1			445			(428)	17
Net purchase of treasury shares	0					0	0
<b>Balance sheet as at 30 June 2022</b>	<b>19 380</b>	<b>18 733</b>	<b>10 736</b>	<b>508</b>	<b>56</b>	<b>160 096</b>	<b>209 507</b>

1) An additional Tier 1 capital instrument of USD 750 million, issued by DNB Bank ASA in 2016, was redeemed in the first quarter of 2022.

## Note P1 Basis for preparation

DNB Bank ASA has prepared the financial statements according to the Norwegian Ministry of Finance's regulations on annual accounts. A description of the accounting principles applied by the company when preparing the financial statements can be found in Note 1 Accounting principles in the annual report for 2021. In the interim report, the accounting policies, significant estimates, and areas where judgement is applied by the company are in conformity with those described in the annual report.

See note G9 to the consolidated accounts for information about debt securities issued, senior non-preferred bonds and subordinated loan capital, and note G10 for information about contingencies.

### Acquisition of Sbanken ASA

DNB Bank ASA acquired a majority shareholding in Sbanken ASA as at 30 March 2022. Please refer to note G2 Acquisition of Sbanken for further information.

## Note P2 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRR/CRD).

Own funds	DNB Bank ASA		
	30 June 2022	31 Dec. 2021	30 June 2021
<i>Amounts in NOK million</i>			
Total equity	209 507	205 399	216 308
Adjustment to retained earnings for foreseeable dividends	(5 411)		(4 497)
Additional Tier 1 capital instruments included in total equity	(10 474)	(16 595)	(16 595)
Net accrued interest on additional Tier 1 capital instruments	(261)	(285)	(253)
Common equity Tier 1 capital instruments	193 360	188 520	194 963
Regulatory adjustments			
Goodwill	(2 386)	(2 391)	(2 408)
Deferred tax assets that rely of future profitability, excluding temporary differences	(25)	(25)	(453)
Other intangible assets	(818)	(1 047)	(820)
Dividends payable and group contributions			(13 953)
IRB provisions shortfall (-)	(1 660)	(1 427)	(1 092)
Additional value adjustments (AVA)	(1 045)	(914)	(1 023)
Insufficient coverage for non-performing exposures			
(Gains) or losses on liabilities at fair value resulting from own credit risk	(56)	8	31
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(467)	(336)	(373)
Common equity Tier 1 capital	186 903	182 386	174 872
Additional Tier 1 capital instruments	10 474	16 595	16 595
Tier 1 capital	197 378	198 981	191 466
Perpetual subordinated loan capital	5 602	5 752	5 619
Term subordinated loan capital	21 128	29 237	25 577
Additional Tier 2 capital instruments	26 730	34 989	31 196
Own funds	224 108	233 970	222 663
Total risk exposure amount	908 786	833 707	808 045
Minimum capital requirement	72 703	66 697	64 644
Capital ratios:			
Common equity Tier 1 capital ratio	20.6	21.9	21.6
Tier 1 capital ratio	21.7	23.9	23.7
Total capital ratio	24.7	28.1	27.6
<b>Own funds and capital ratios excluding interim profit</b>			
Common equity Tier 1 capital	181 492		170 374
Tier 1 capital	191 966		186 969
Own funds	218 696		218 165
Common equity Tier 1 capital ratio	20.0		21.1
Tier 1 capital ratio	21.1		23.1
Total capital ratio	24.1		27.0

## Note P3 Development in accumulated impairment of financial instruments

Loans to customers at amortised cost	DNB Bank ASA							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>								
<b>Accumulated impairment as at 31 Dec.</b>	<b>(433)</b>	<b>(494)</b>	<b>(7 979)</b>	<b>(8 905)</b>	<b>(555)</b>	<b>(987)</b>	<b>(10 506)</b>	<b>(12 048)</b>
Transfer to stage 1	(85)	84	1		(156)	155		
Transfer to stage 2	29	(35)	6		101	(103)	2	
Transfer to stage 3		13	(13)		1	57	(59)	
Originated and purchased	(93)	(38)		(131)	(119)	(54)		(172)
Increased expected credit loss	(90)	(260)	(1 520)	(1 869)	(177)	(532)	(1 948)	(2 657)
Decreased (reversed) expected credit loss	233	150	1 270	1 653	428	423	2 121	2 972
Write-offs			1 821	1 821			756	756
Derecognition (including repayments)	13	69	5	87	74	229	47	351
Exchange rate movements			(4)	(3)	2	2	(4)	
<b>Accumulated impairment as at 30 June</b>	<b>(426)</b>	<b>(510)</b>	<b>(6 413)</b>	<b>(7 349)</b>	<b>(400)</b>	<b>(808)</b>	<b>(9 590)</b>	<b>(10 799)</b>

Financial commitments	DNB Bank ASA							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>								
<b>Accumulated impairment as at 31 Dec.</b>	<b>(169)</b>	<b>(250)</b>	<b>(669)</b>	<b>(1 087)</b>	<b>(231)</b>	<b>(438)</b>	<b>(601)</b>	<b>(1 270)</b>
Transfer to stage 1	(75)	75			(57)	57		
Transfer to stage 2	14	(14)			30	(30)		
Transfer to stage 3						13	(13)	
Originated and purchased	(61)	(4)		(65)	(77)	(14)		(91)
Increased expected credit loss	(12)	(72)	(15)	(99)	(38)	(150)	(249)	(437)
Decreased (reversed) expected credit loss	166	39	479	684	186	177	403	765
Derecognition	7	26	9	42	2	91		93
Exchange rate movements		(2)		(2)		1		(1)
Other								
<b>Accumulated impairment as at 30 June</b>	<b>(130)</b>	<b>(202)</b>	<b>(195)</b>	<b>(527)</b>	<b>(186)</b>	<b>(293)</b>	<b>(460)</b>	<b>(939)</b>

For explanatory comments about the impairment of financial instruments, see the directors' report.



## Note P4 Financial instruments at fair value

<i>Amounts in NOK million</i>	DNB Bank ASA			
	Level 1	Level 2	Level 3	Total
<b>Assets as at 30 June 2022</b>				
Loans to customers		132 965	6 001	138 966
Commercial paper and bonds	40 555	282 090	982	323 627
Shareholdings	3 865	395	1 884	6 144
Financial derivatives	3 185	249 280	3 588	256 053
<b>Liabilities as at 30 June 2022</b>				
Deposits from customers		12 049		12 049
Debt securities issued		2 827		2 827
Senior non-preferred bonds		959		959
Subordinated loan capital		408		408
Financial derivatives	5 409	217 296	3 271	225 976
Other financial liabilities <sup>1)</sup>	3 991			3 991
<b>Assets as at 30 June 2021</b>				
Loans to customers		120 430	6 362	126 792
Commercial paper and bonds	26 040	266 838	954	293 832
Shareholdings	5 682	932	753	7 368
Financial derivatives	1 878	135 384	1 445	138 706
<b>Liabilities as at 30 June 2021</b>				
Deposits from customers		10 351		10 351
Debt securities issued		6 337		6 337
Senior non-preferred bonds		1 117		1 117
Subordinated loan capital		175		175
Financial derivatives	2 209	135 155	1 143	138 508
Other financial liabilities <sup>1)</sup>	2 623	(0)	0	2 623

1) Short positions, trading activities.

Loans with floating interest rate measured at fair value through other comprehensive income are categorised within level 2, since the valuation is mainly based on observable inputs.

For a further description of the instruments and valuation techniques, see the annual report for 2021.

## Note P5 Information on related parties

### DNB Boligkreditt AS

In the first half of 2022, loan portfolios representing NOK 4.3 billion (NOK 19.5 billion in the first half of 2021) were transferred from the bank to DNB Boligkreditt in accordance with the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS".

At end-June 2022, the bank had invested NOK 62.8 billion in covered bonds issued by DNB Boligkreditt.

The servicing agreement between DNB Boligkreditt and DNB Bank ensures DNB Boligkreditt a minimum margin achieved on loans to customers. A margin below the minimum level will be at DNB Bank's risk, resulting in a negative management fee (payment from DNB Bank to DNB Boligkreditt). The management fee paid to the bank for purchased services amounted to a negative NOK 36 million in the first half of 2022 (NOK 917 million in the first half of 2021).

In the first half of 2022, DNB Boligkreditt entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 14.5 billion at end-June 2022.

DNB Boligkreditt AS has a long-term overdraft facility in DNB Bank ASA with a limit of NOK 300 billion.

### Sbanken ASA og Sbanken Boligkreditt AS

At end-June 2022, the bank had invested a total amount of NOK 391 million in bonds issued by Sbanken and Sbanken Boligkreditt.

# Statement

## pursuant to Section 5-6 of the Securities Trading Act

We hereby confirm that the half-yearly financial statements for the Group and the company for the period 1 January through 30 June 2022 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the company taken as a whole.

To the best of our knowledge, the half-yearly report gives a true and fair:

- overview of important events that occurred during the accounting period and their impact on the half-yearly financial statements
- description of the principal risks and uncertainties facing the Group over the next accounting period
- description of major transactions with related parties.

Oslo, 11 July 2022  
The Board of Directors of DNB Bank ASA



Olaug Svarva  
(Chair of the Board)



Svein Richard Brandtzæg  
(Vice Chair of the Board)



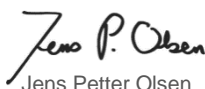
Gro Bakstad



Julie Galbo



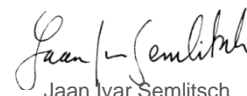
Lillian Hattrem



Jens Petter Olsen



Stian Tegler Samuelsen



Jaan Ivar Semlitsch



Jannicke Skaanes



Kim Wahl



Kjerstin R. Braathen  
(Group Chief Executive Officer, CEO)



Ida Lerner  
(Group Chief Financial Officer, CFO)

# Information about DNB

## Head office

Mailing address	P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address	Dronning Eufemias gate 30, Oslo
Telephone	+47 91 50 48 00
Internet	dnb.no
Organisation number	Register of Business Enterprises NO 984 851 006 MVA

## Board of Directors

Olaug Svarva, Chair of the Board  
Svein Richard Brandtzæg, Vice Chair of the Board  
Gro Bakstad  
Julie Garbo  
Lillian Hattrem  
Jens Petter Olsen  
Stian Tegler Samuelsen  
Jaan Ivar Semlitsch  
Jannicke Skaanes  
Kim Wahl

## Group Management

Kjerstin R. Braathen	Group Chief Executive Officer (CEO)
Ida Lerner	Group Chief Financial Officer (CFO)
Ingjerd Blekeli Spiten	Group Executive Vice President of Personal Banking
Harald Serck-Hanssen	Group Executive Vice President of Corporate Banking
Håkon Hansen	Group Executive Vice President of Wealth Management
Alexander Opstad	Group Executive Vice President of Markets
Benjamin Golding	Group Executive Vice President of Products & Innovation
Mirella E. Grant	Group Chief Compliance Officer (CCO)
Sverre Krog	Group Chief Risk Officer (CRO)
Maria Ervik Løvold	Group Executive Vice President of Technology & Services
Anne Sigrun Moen	Group Executive Vice President of People
Thomas Midteide	Group Executive Vice President of Communications & Sustainability

## Investor Relations

Rune Helland, head of Investor Relations	tel. +47 23 26 84 00	rune.helland@dnb.no
Anne Engebretsen, Investor Relations	tel. +47 23 26 84 08	anne.engebretsen@dnb.no
Julie Raaholt Strømme, Investor Relations	tel. +47 90 55 45 45	julie.raaholt.stromme@dnb.no
Thor Tellefsen, Long Term Funding	tel. +47 23 26 84 04	thor.tellefsen@dnb.no

## Financial calendar

### 2022

20 October	Q3 2022
15 November	Capital Markets Day

### 2023

9 February	Q4 2022
9 March	Annual report 2022
25 April	Annual General Meeting
26 April	Ex-dividend date
5 May	Distribution of dividends
27 April	Q1 2023
12 July	Q2 2023
19 October	Q3 2023

## Other sources of information

### Annual and quarterly reports

Separate annual and quarterly reports are prepared for DNB Boligkreditt and DNB Livsforsikring. The reports and the Factbook are available on [ir.dnb.no](http://ir.dnb.no). Annual and quarterly reports can be ordered by sending an e-mail to Investor Relations.

*The quarterly report has been produced by Group Financial Reporting in DNB.*

*Cover design: Hyper*

## **DNB**

**Mailing address:**

P.O.Box 1600 Sentrum  
N-0021 Oslo

**Visiting address:**

Dronning Eufemias gate 30  
Bjørvika, Oslo

[dnb.no](https://dnb.no)