



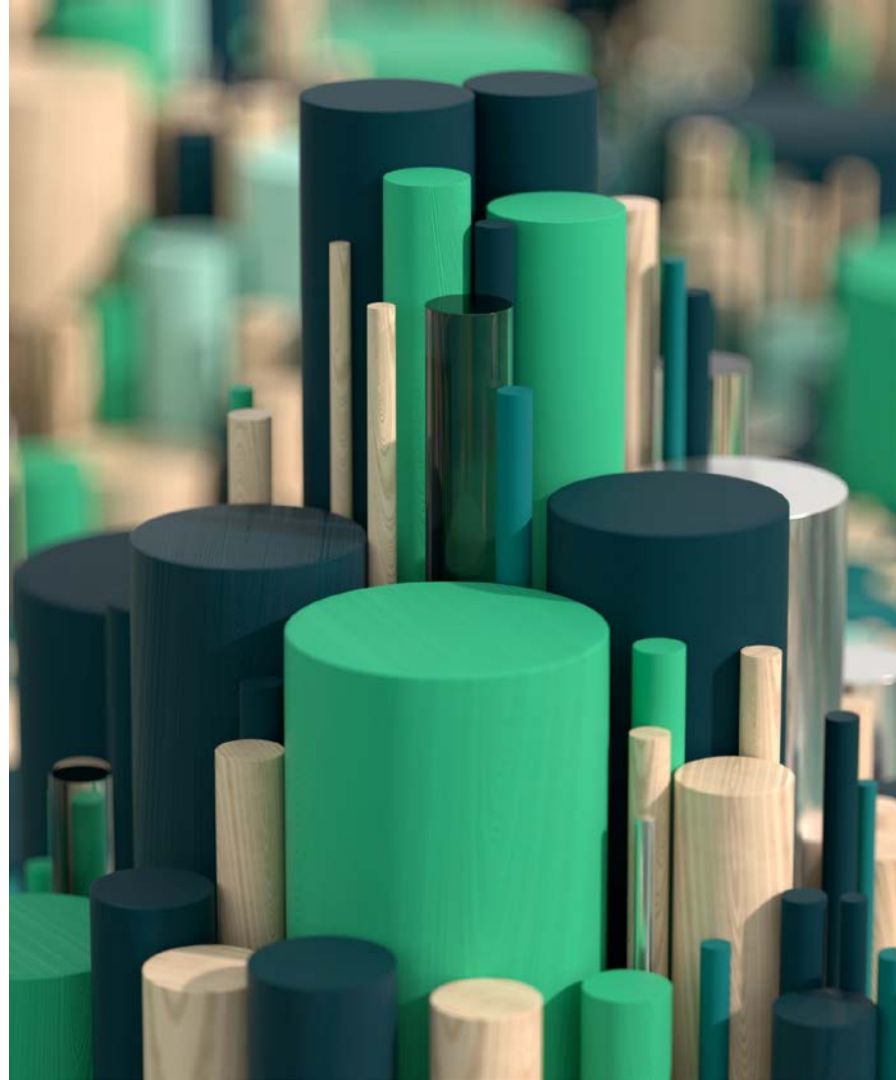
Results DNB Group

First quarter 2023

Kjerstin R. Braathen (CEO)
Ida Lerner (CFO)

Q1

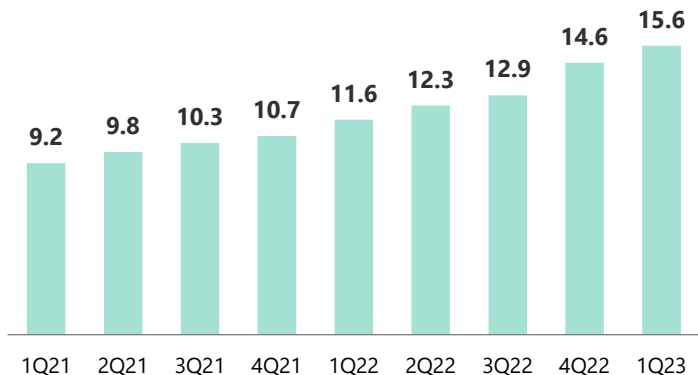
27 April 2023



Continued strong performance and solid asset quality

Return on equity

Per cent, trailing 12-month figures



Profit for
the period
NOK billion
10.5

CET1
capital ratio
Per cent
18.6

Return on equity (ROE) of 17.2 per cent in the quarter

Solid result across customer segments.

Net interest income (NII) up 39.8 per cent from 1Q22 and 3.8 from 4Q22

Driven by profitable growth in both lending and deposits, as well as higher interest rates. Increase from 1Q22 boosted by the acquisition of Sbanken.

Net commissions and fees (NCF) up 1.8 per cent from 1Q22

All-time high first quarter results – robust and diversified fee platform.

Net reversals of impairment provisions

Robust asset quality and successful restructurings.
99.2 per cent in stages 1 and 2.

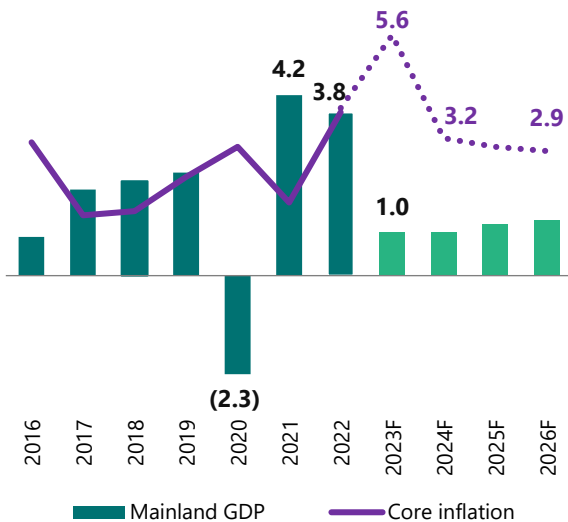
Earnings per share (EPS) up 38.2 per cent from 1Q22

EPS of NOK 6.59 for the quarter.

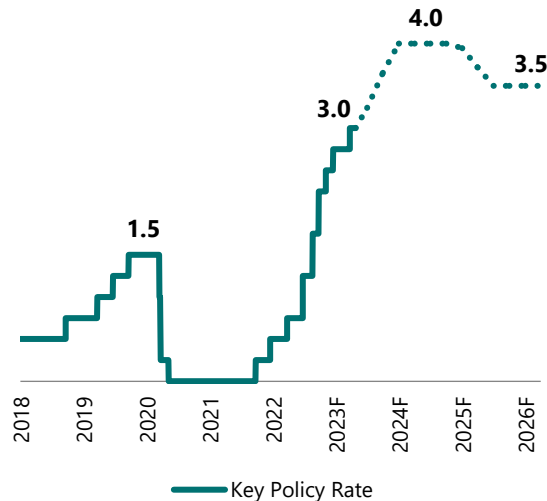
Resilient and robust Norwegian economy

- Growth in Norwegian mainland economy expected to slow down, but increased investments in energy sector keep activity levels high
- Updated forecast from DNB Markets estimate key policy rate to come in at a higher level
- Unemployment rates expected to remain low – some alleviation expected in tight labour market

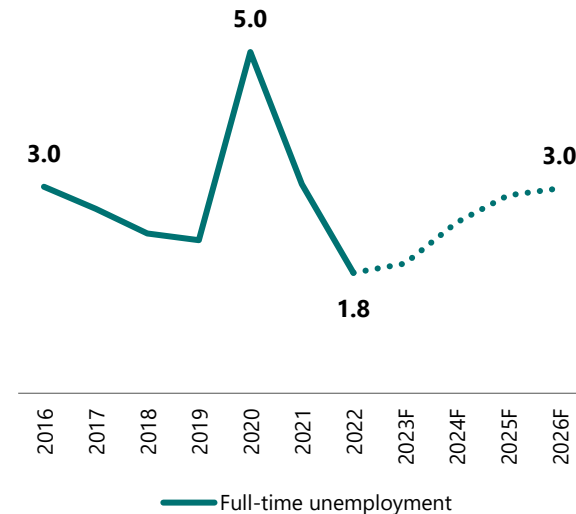
Mainland GDP and inflation
Actual and DNB Markets forecast
Per cent



Key policy rate
Actual and DNB Markets forecast
Per cent



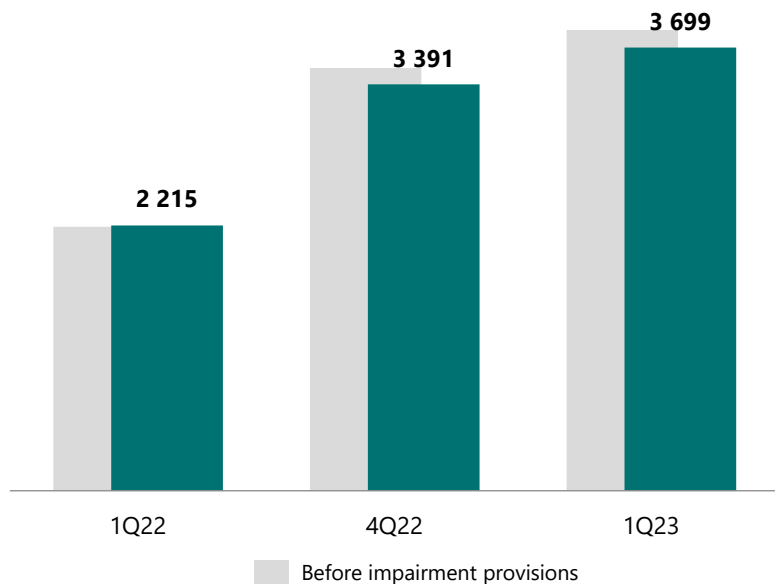
Full-time unemployment
Actual and DNB Markets forecast
Per cent



Personal customers – profitable lending growth and stable deposit volumes

Pre-tax operating profit

NOK million

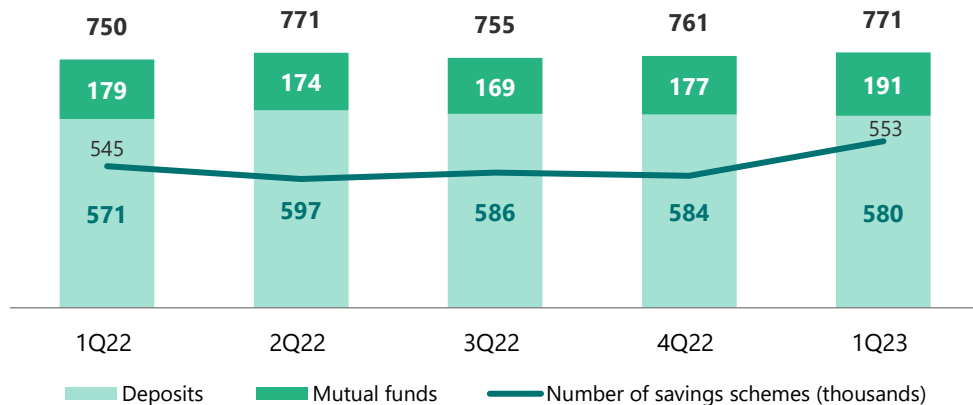


Highlights of the quarter

- NII up 9.4 per cent from 4Q22 – driven by lending growth and spreads
- Personal customers remain committed to savings schemes – increase in both number of schemes and monthly savings amounts
- Solid portfolio quality – no signs of negative migration

Solid development in savings

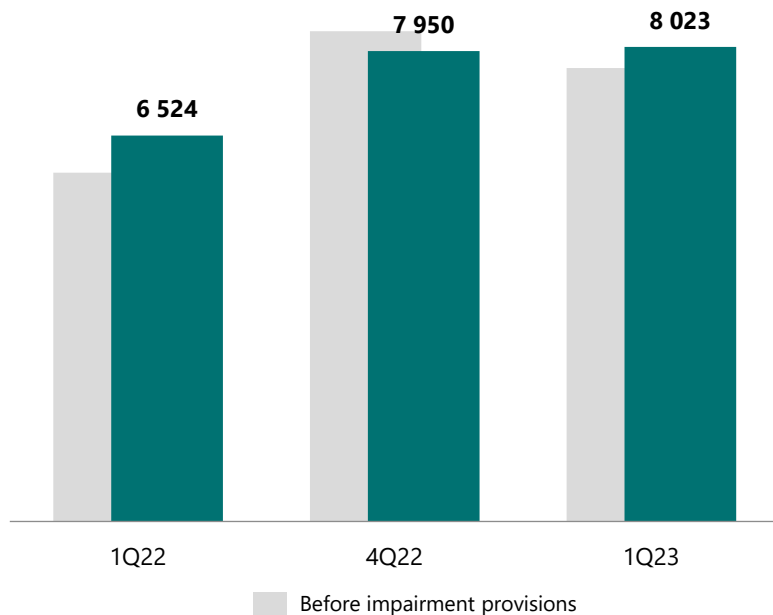
Savings volumes at end of period, NOK billion



Corporate customers – high activity level and solid results

Pre-tax operating profit

NOK million



Highlights of the quarter

- Profitable growth in both loans and deposits of 3.7 and 12.3 per cent, respectively, from 4Q22
- Strong income contribution from Markets products
- Net reversals of impairment mainly from restructuring within offshore – no negative migration observed in overall credit portfolio

Prospera benchmarking – leading positions

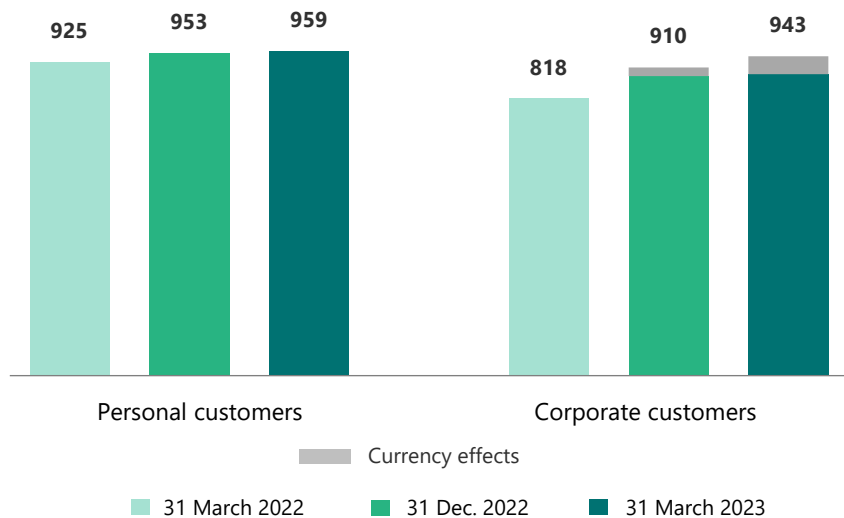


Continued profitable growth in loans and deposits

- Loan growth of 2.1 per cent in the quarter, 0.6 per cent currency-adjusted
 - up 0.6 per cent in Personal customers and 3.7 per cent in Corporate customers
- Deposit growth of 6.9 per cent in the quarter, 4.9 per cent currency-adjusted
 - down 0.6 per cent in Personal customers and up 12.3 per cent in Corporate customers

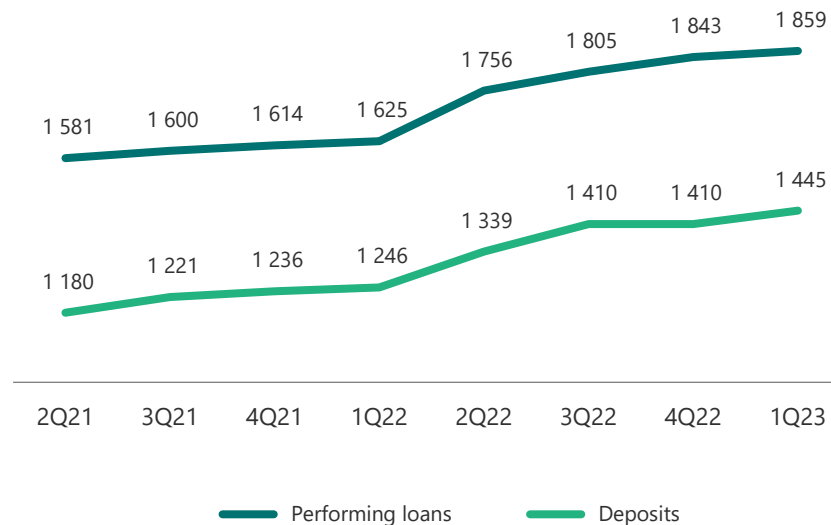
Loans per customer segment

NOK billion



Average loans and deposits in customer segments¹

NOK billion

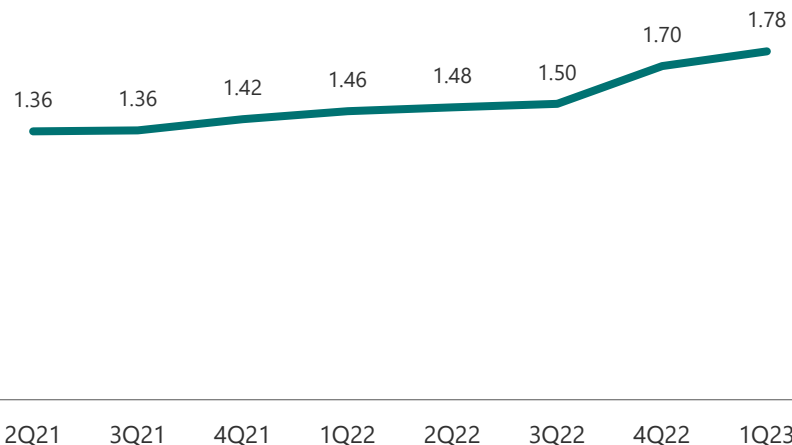


1) Sbanken included from 31 March 2022.

Strong development in net interest margin

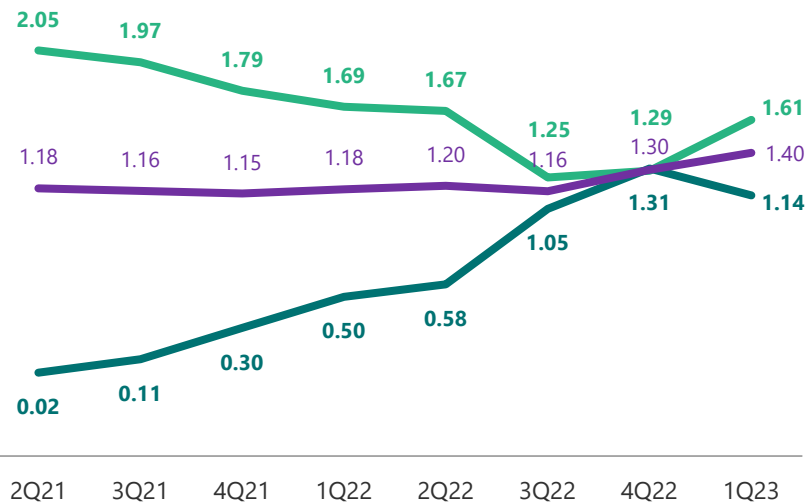
Net interest margin¹

Per cent



Spreads in customer segments

Per cent



- Lending spreads
- Deposit spreads
- Combined spreads - weighted average

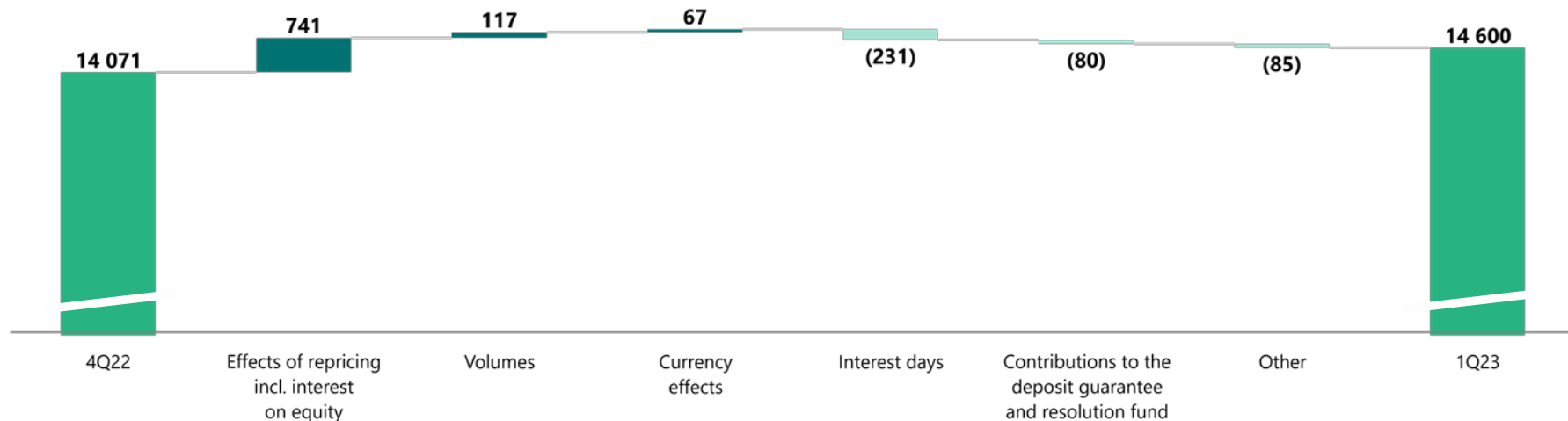
1) Total net interest income relative to average loans and deposits in the customer segments.

Net interest income driven by increased interest rates in the market

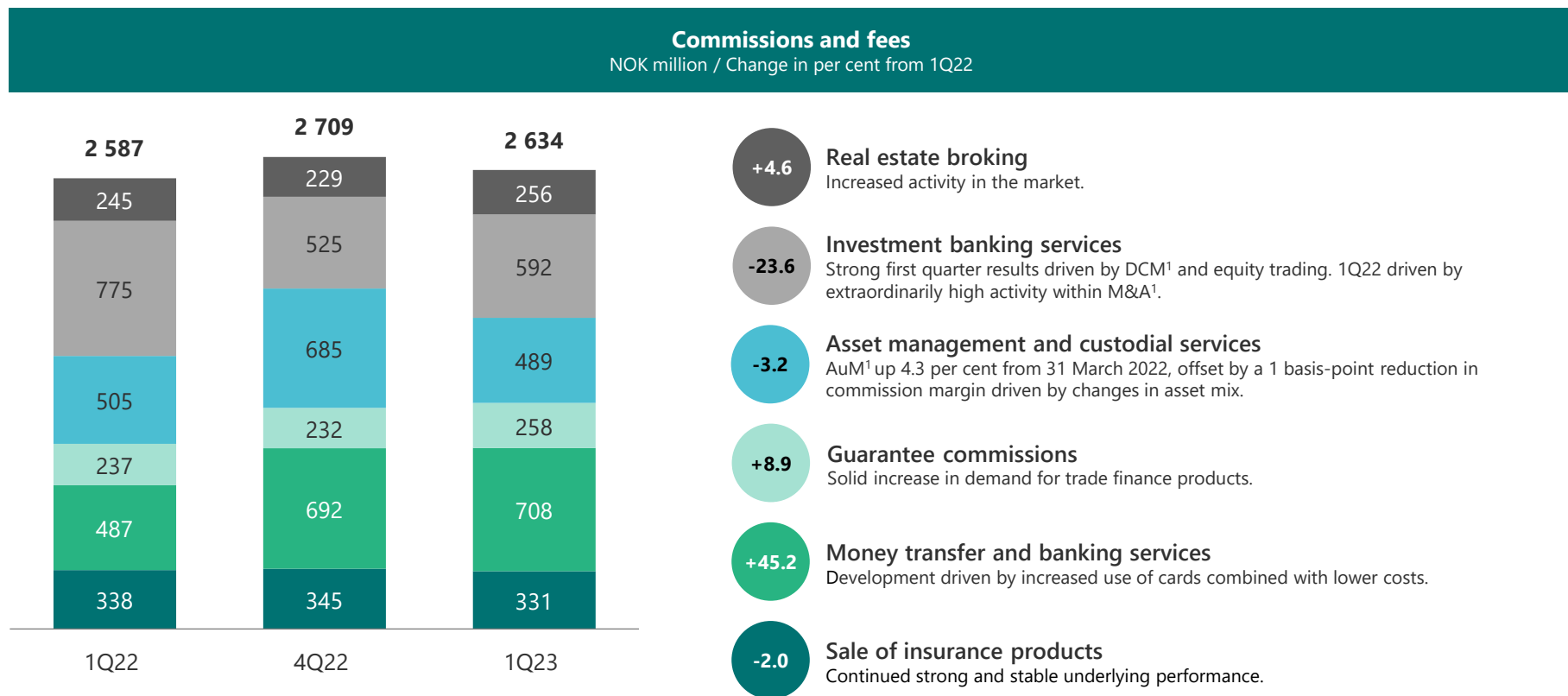
- Net interest income up NOK 529 million – or 3.8 per cent – in the quarter
- Full effect of repricings from beginning of October, November and mid-December, and partial effect of repricing from end-January
- Following Norges Bank's key policy rate hike in March, DNB announced repricing with effect from mid-May

Net interest income from 4Q22 to 1Q23

NOK million



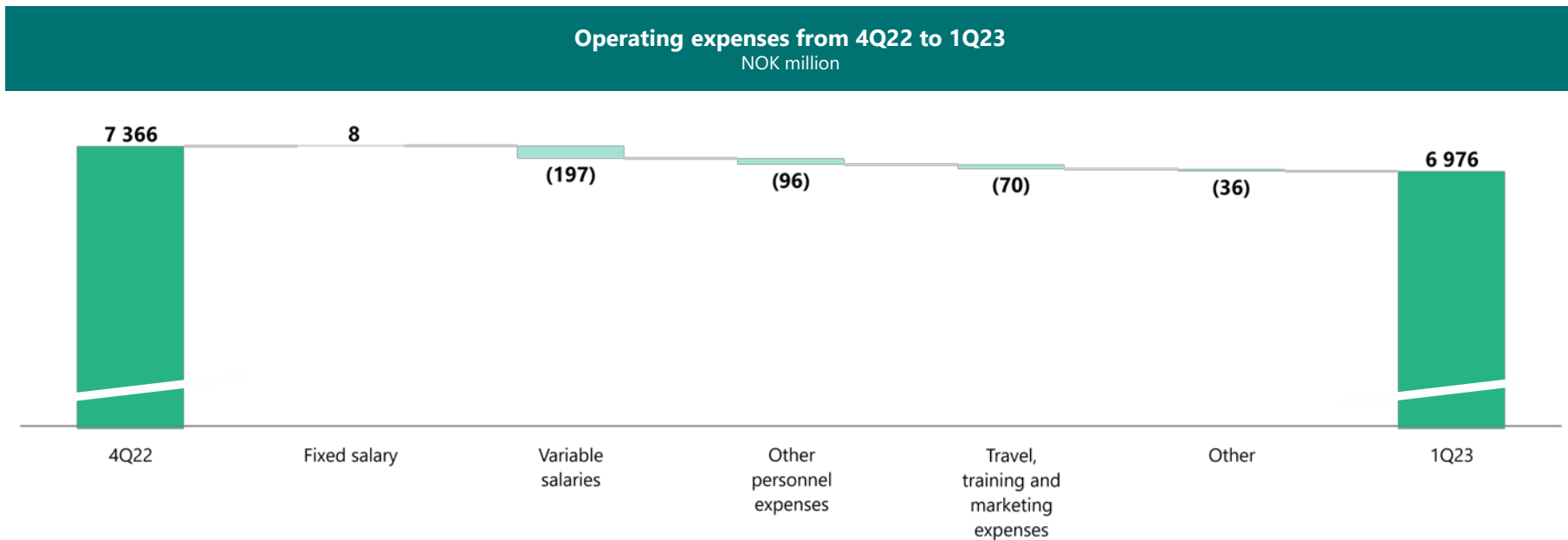
Commissions and fees – all-time high first quarter result



1) DCM: Debt capital markets. M&A: Mergers and acquisitions. AuM: Assets under management.

Operating expenses reflecting seasonally lower activity level

- Non-recurring expenses of approximately NOK 100 million in the quarter
- Pension expenses approximately NOK 70 million above normalised level¹



1) The scheme is partly hedged and a corresponding gain is recognised under Net gains on financial instruments at fair value.

Robust and well-diversified portfolio – 99.2 per cent in stages 1 and 2

- Solid and diversified portfolio – no systematic negative migration within any segment or industry
- Personal customers portfolio – continued low impairment provisions
- Corporate customers portfolio – net reversals stemming from successful restructurings mainly in the offshore industry segment

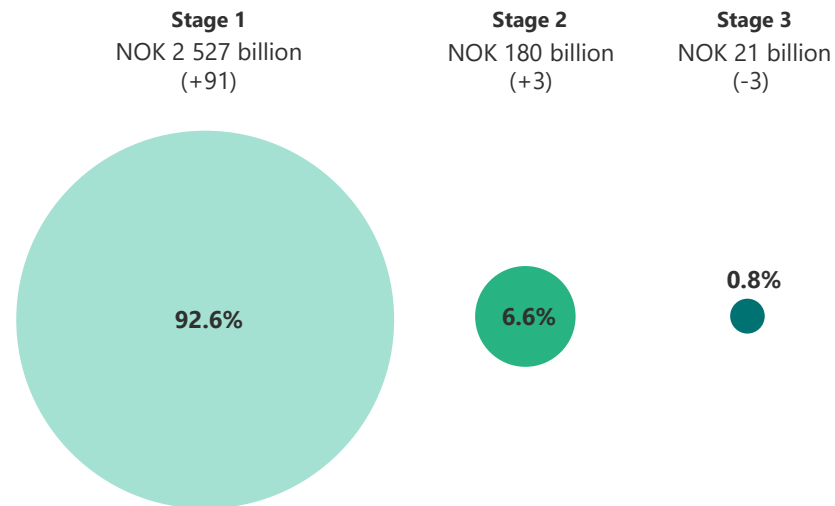
Impairment of financial instruments by industry segment

NOK million

	1Q23	4Q22	1Q22
Personal customers			
- Stages 1 and 2	11	(5)	3
- Stage 3	(81)	(142)	(39)
Corporate customers			
- Stages 1 and 2	(87)	30	78
- Stage 3	236	(557)	547
Total	79	(674)	589

Maximum exposure¹

Changes from 4Q22 in parentheses

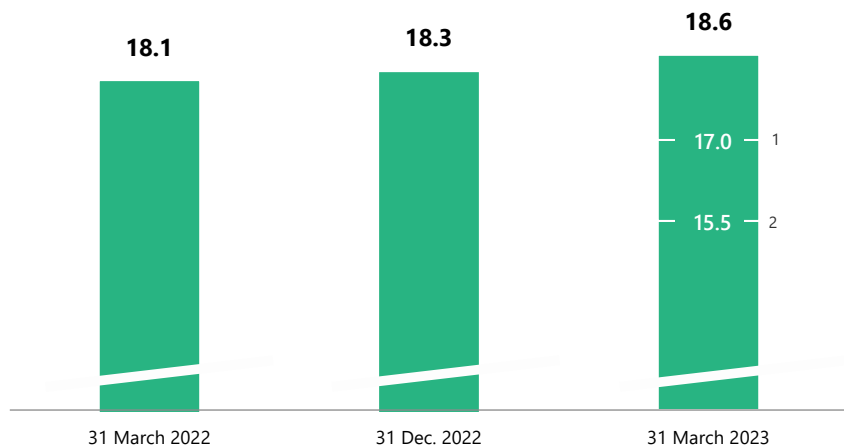


1) On- and off-balance sheet items, net of accumulated impairment provisions.

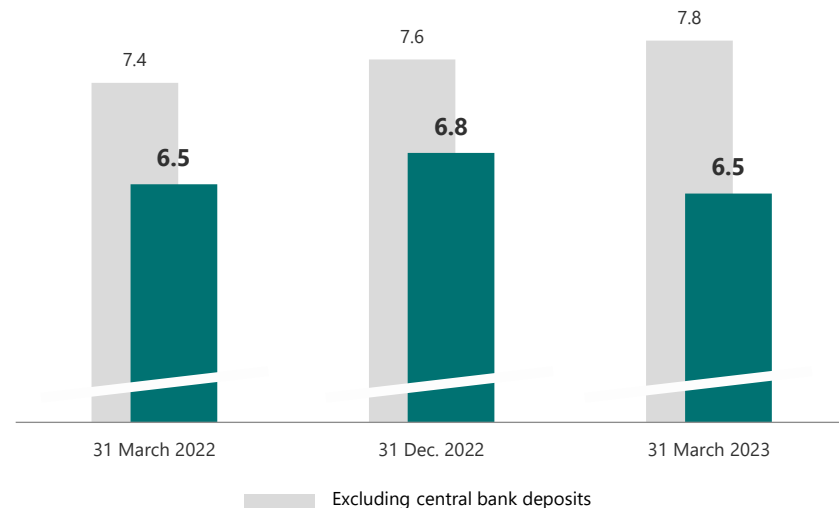
Continued strong capital position

- Increased CET1 capital ratio from solid capital generation and moderate growth in risk exposure amount resulting in ~160 basis-point headroom to expectations from Financial Supervisory Authority of Norway (FSA)
- Board of Directors authorised by Annual General Meeting to repurchase up to 3.5 per cent of the company's share capital
- Application submitted to the FSA for approval of 2.5 per cent repurchase limit

CET1 capital ratio
Per cent



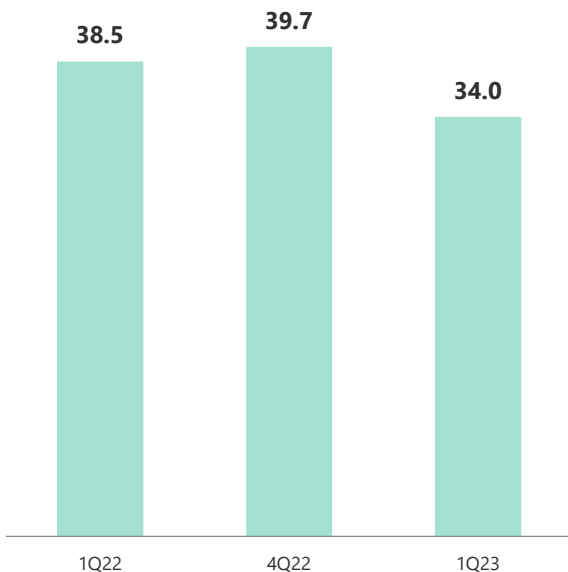
Leverage ratio
Per cent



Strong performance in the first quarter

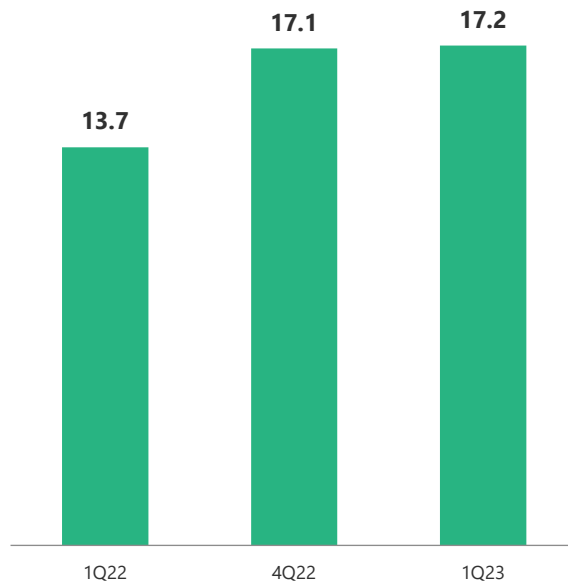
Cost/income ratio

Per cent



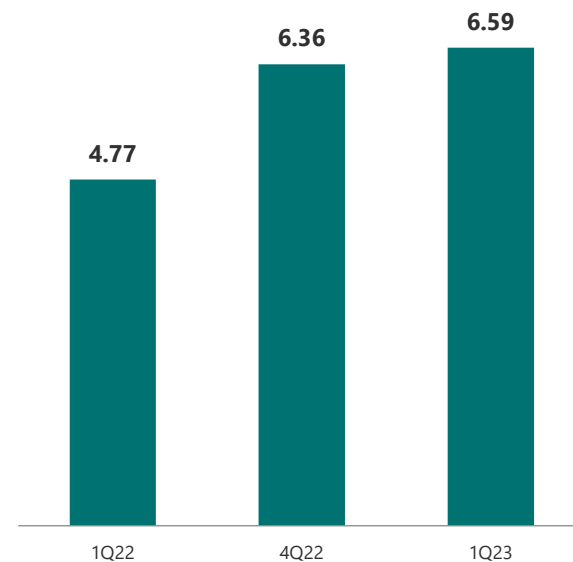
Return on equity

Per cent



Earnings per share

NOK



Appendix



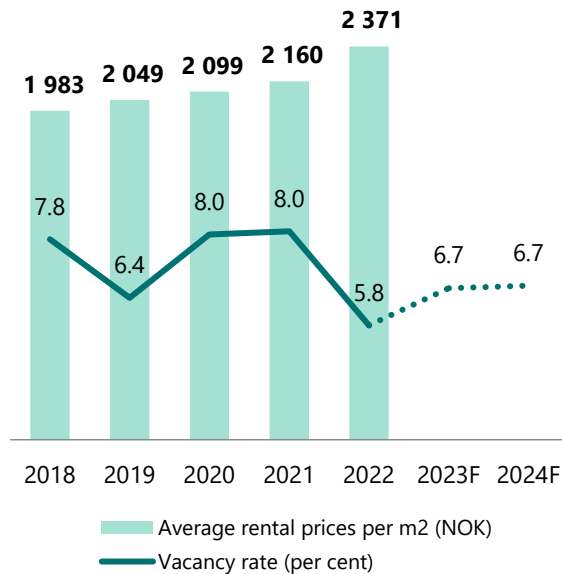
Diversified and high-quality commercial real estate (CRE) portfolio – 9.8 per cent of total exposure at default (EAD)

CRE by industry sub-segment

As at 31 March 2023



Rental prices and vacancy rates office buildings¹



Key message

Robust CRE portfolio

- Credit strategy focusing on cash flow, industrial ownership and residual value
- 76 per cent of exposure to low-risk customers
- 94 per cent of exposure in Norway with a portfolio LTV of 48 per cent

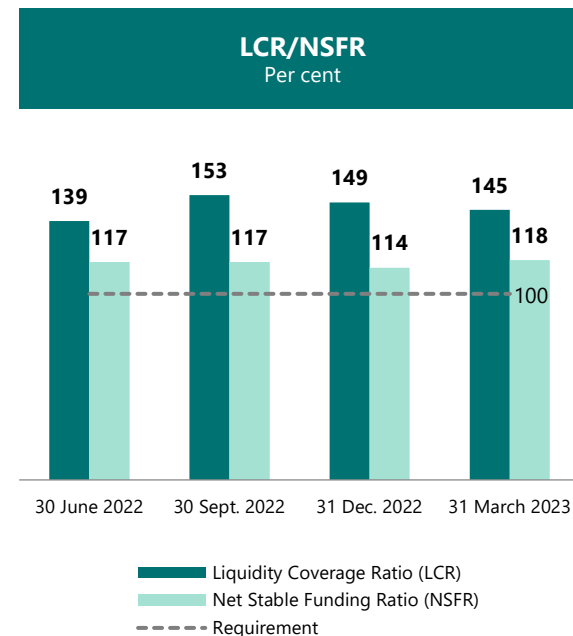
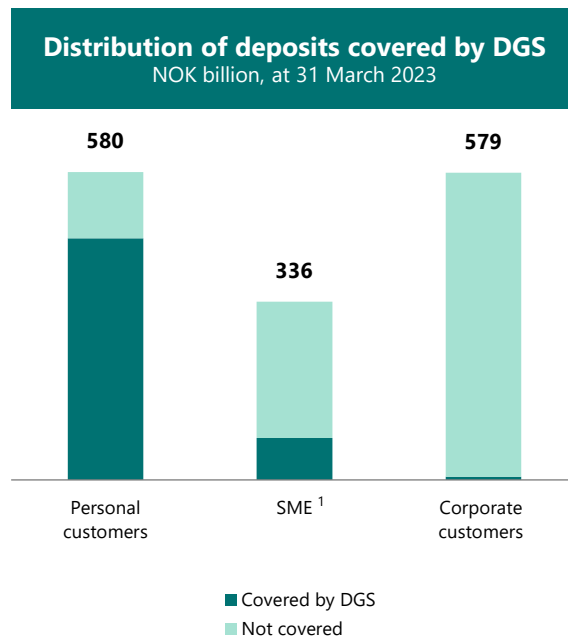
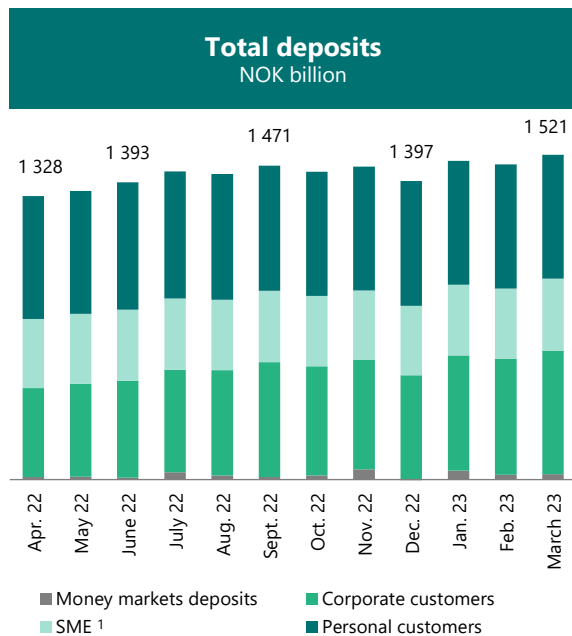
Risk-mitigating market conditions

- Increasing rental prices, low vacancy rates and limited new-build activity
- Extensive use of interest rate hedging
- 80 per cent of Norwegian CRE bank-financed – low dependency on bond market

1) Source: Arealstatistikk AS and DNB Næringsmegling's Investor survey – based on a weighted average of the four largest cities in Norway.

Well-diversified deposits base – no outflow following market turmoil in March

- 1/3 of deposits covered by the deposit guarantee scheme (DGS)
- 2/3 of deposits in NOK
- Solid headroom to LCR/NSFR requirements



1) SME: Small and medium-sized enterprises, according to the LCR/NSFR definition.

Income statement

NOK million	1Q23	4Q22	1Q22	Change from 4Q22	Change from 1Q22
Net interest income	14 600	14 071	10 445	529	4 154
Other operating income	5 936	4 487	4 623	1 449	1 313
Total income	20 536	18 558	15 068	1 978	5 468
Operating expenses	(6 976)	(7 366)	(5 795)	390	(1 181)
Pre-tax operating profit before impairment	13 560	11 192	9 273	2 368	4 287
Impairment of loans and guarantees and gains on assets	79	(699)	590	778	(511)
Pre-tax operating profit	13 639	10 493	9 863	3 146	3 776
Tax expense	(3 137)	(519)	(2 252)	(2 618)	(885)
Profit from operations held for sale, after taxes	(30)	127	36	(156)	(65)
Profit for the period	10 472	10 101	7 647	371	2 825
Portion attributable to shareholders	10 192	9 858	7 391	334	2 802

Other operating income

NOK million	1Q23	4Q22	1Q22	Change from 4Q22	Change from 1Q22
Net commissions and fees	2 634	2 709	2 587	(75)	47
Customer revenues in DNB Markets	781	835	626	(54)	155
Trading revenues in DNB Markets	324	157	386	167	(61)
Hedging of defined-benefit pension scheme	62	63	(28)	(1)	90
Credit spreads on bonds	72	(67)	(144)	138	216
Credit spreads on fixed-rate loans	(235)	156	(285)	(391)	51
CVA/DVA/FVA	78	180	48	(103)	29
Other mark-to-market adjustments	859	382	469	477	390
Basis swaps	(4)	(604)	629	601	(633)
Exchange rate effects on additional Tier 1 capital	527	(847)	(138)	1 374	665
Net gains on financial instruments at fair value	2 464	256	1 562	2 208	902
Net life insurance result	154	504	192	(350)	(38)
Profit from investments accounted for by the equity method	164	460	60	(296)	104
Other	520	558	222	(38)	298
Net other operating income, total	5 936	4 487	4 623	1 449	1 313

DISCLAIMER

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

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

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