



Results DNB Group

Third quarter 2023

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Q3

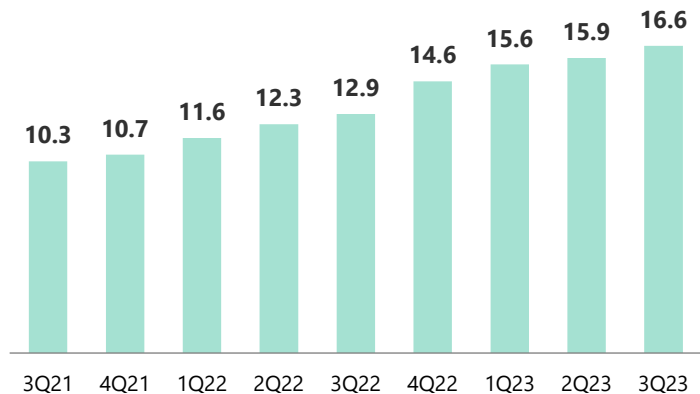
19 October 2023



Strong performance and solid asset quality

Return on equity

Per cent, trailing 12-month figures



Profit for the period
NOK billion
10.1

CET1 capital ratio
Per cent
18.3

Return on equity (ROE) of 16.3 per cent in the quarter

Solid result across customer segments and product areas.

Net interest income (NII) up 3.2 per cent from 2Q23

Driven by higher interest rates.

Net commissions and fees (NCF) up 10.5 per cent from 3Q22

All-time high third quarter result, strong deliveries across product areas. Robust and diversified fee platform.

Impairment provisions of NOK 937 million

Primarily driven by customer-specific situations in Corporate customers. Overall robust asset quality, 99.3 per cent in stages 1 and 2.

Earnings per share (EPS) up 7.8 per cent from 2Q23 and 31.2 per cent from 3Q22

EPS of NOK 6.39 for the quarter.

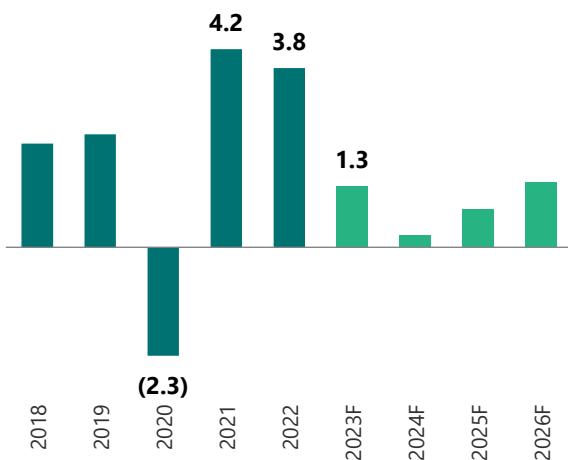
New share buy-back programme of 1.0 per cent announced today

Buy-back programme of 1.5 per cent of shares initiated in July completed.

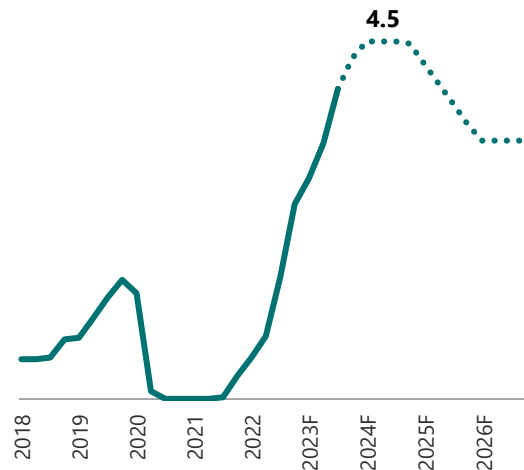
Norwegian economy slowing down and heading for a soft landing

- Modest growth in mainland GDP expected in coming years – inflation levels showing tapering trend, reflecting effectiveness of monetary policy
- Key policy rate expected to peak at 4.50 per cent in December and remain at this level through 2024
- Corporate investments expected to hold up well in a challenging environment

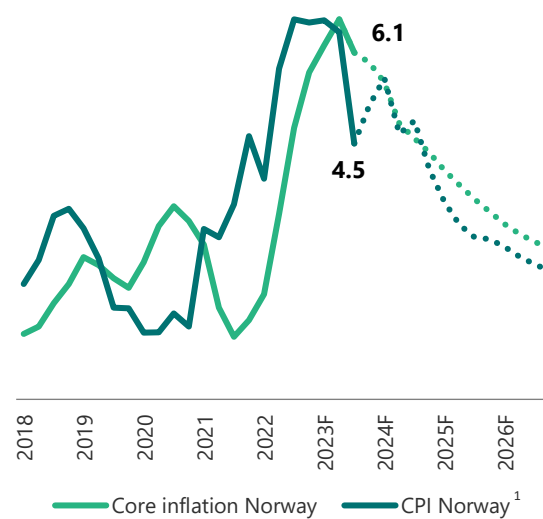
Mainland GDP
Actual and Norges Bank forecast
Per cent



Key policy rate
Actual and DNB Markets forecast
Per cent



Inflation
Actual and Norges Bank forecast
Per cent



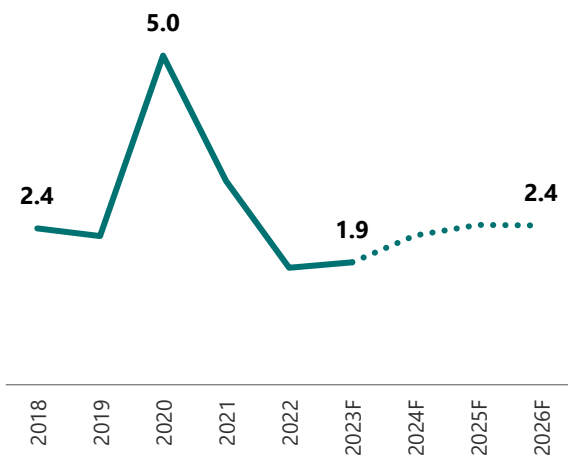
1) Consumer price index.

Sources: Statistics Norway, DNB Markets, Norges Bank (Norwegian central bank).

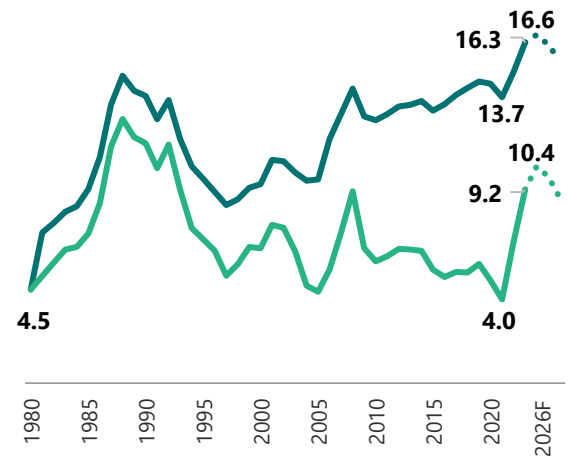
Continued resilience in Norwegian households

- Unemployment rate remaining historically low – some easing of a tight labour market is expected in coming years
- Structure of annuity loans dampening impact of higher interest rates on total debt servicing burden
- Return to real wage growth expected in 2024, following a decline of 0.3 per cent in 2023

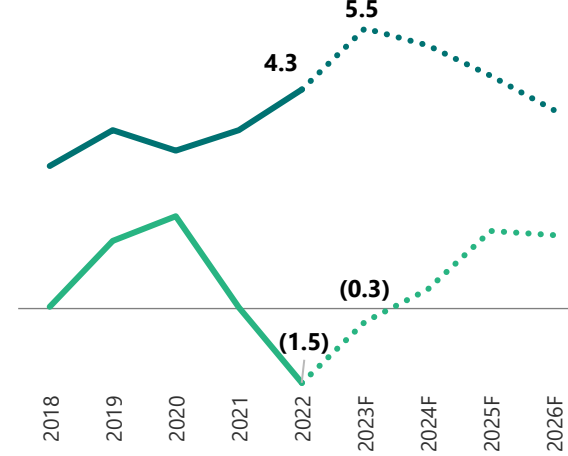
Unemployment rate
Actual and Norges Bank forecast
Per cent



Debt-servicing ratio of Norwegian households
Per cent of disposable income



Real wage development
Actual and Norges Bank forecast
Per cent



Proactively
reached out to

169 000

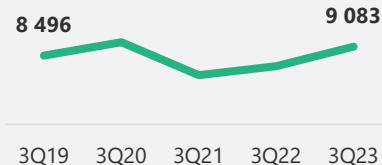
customers with
excess liquidity about
individual saving
alternatives (YTD)



Dedicated advisory teams for customers with
financial challenges and youth segment

9 083

mortgage customers
granted interest-only
periods in 3Q23
(2.2% of total mortgages)



Staying close to our customers in uncertain times



Mobile Banking

64%

of customers
actively using
DNB's personal finance
management tool



1 500 000

conversations with customers in 3Q23
90% of queries are resolved at first point of contact
(phone, chat, email)



Stopped attempted
fraud worth

422 MNOK

in 3Q23

DNB will be a driving force for sustainable transition



Net-zero emissions by

2050

from our financing and investment activities and own operations

Finance and facilitate

NOK 1 500 billion

for sustainable activities by 2030¹

Transition plan outlining DNB's science-based targets for

2030

with specific targets within lending, investments and own operations

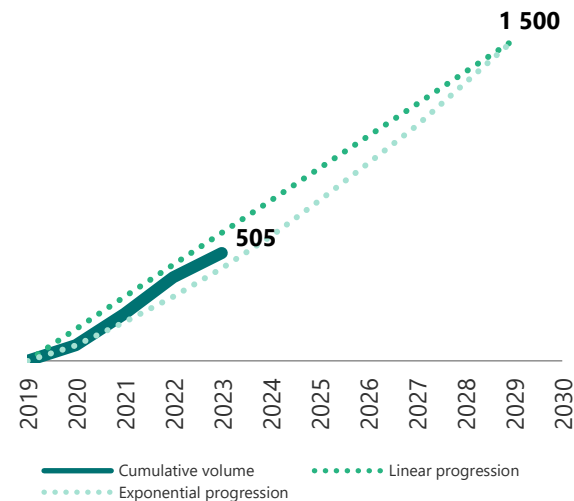
Increase the total assets in mutual funds with a sustainability profile to

NOK 200 billion

by 2025

On track towards financing target of NOK 1 500 billion

- 22 per cent of facilitated bonds have a sustainability profile
- Renewable projects contribute to 44 per cent of sustainable financing



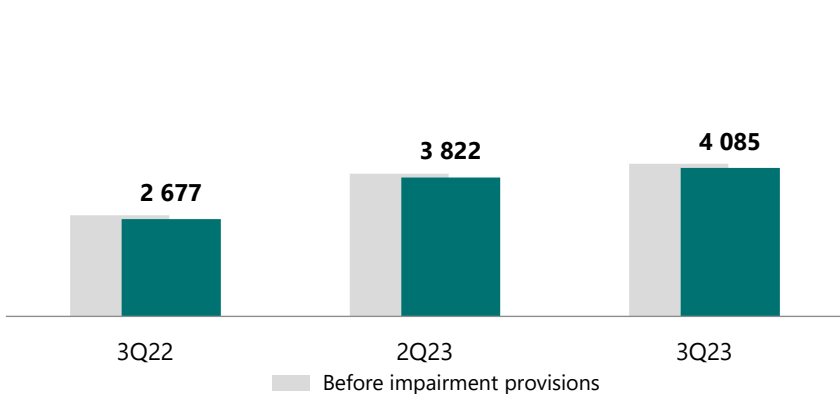
1) These activities are not based on the definition in the Taxonomy Regulation or the classification system..

Strong performance across customer segments

Personal customers

- Pre-tax operating profit up 6.9 per cent from 2Q23
- Slower volume growth both in lending (-0.4 per cent) and deposits (-2.5 per cent), as expected
- Continued growth in number of savings schemes and firm customer commitment to savings

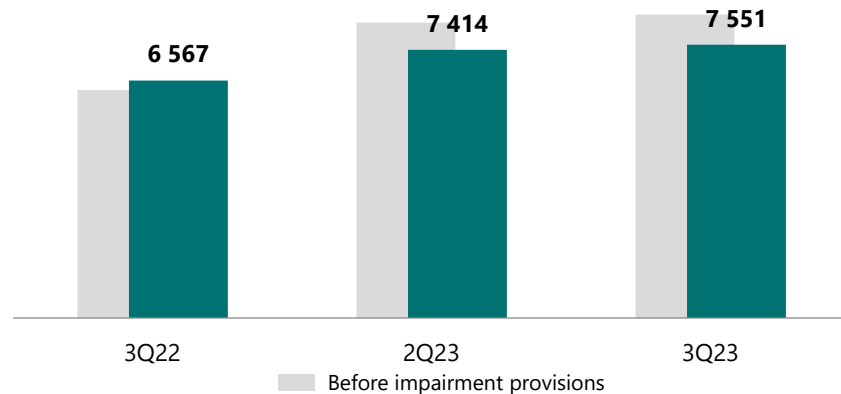
Pre-tax operating profit (NOK million)



Corporate customers

- Pre-tax operating profit up 1.8 per cent from 2Q23
- Seasonally slower third quarter with flat development in lending volumes and deposits growth of 1.7 per cent, currency adjusted
- All-time high third quarter for IBS¹ and solid result from FICC²

Pre-tax operating profit (NOK million)



1) IBS: Investment banking services.

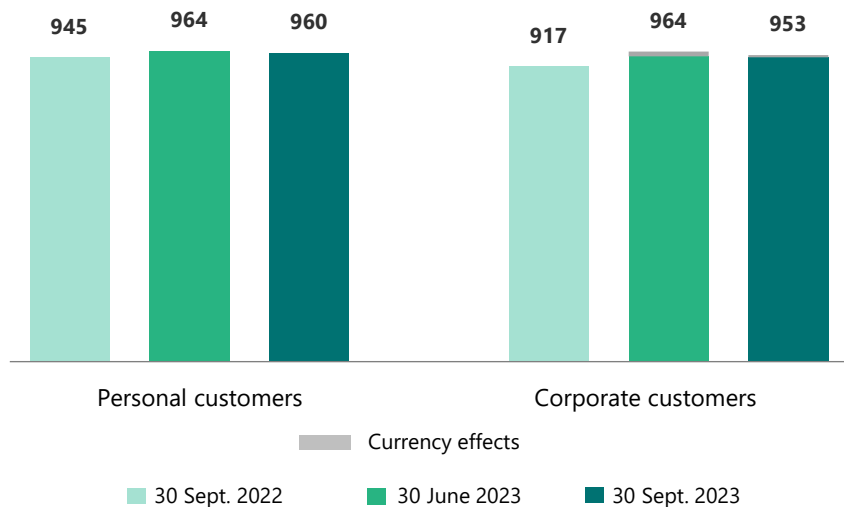
2) FICC: Fixed income, currencies and commodities.

Volumes affected by lower market activity

- Loans down 0.3 per cent currency-adjusted
 - Personal customers down 0.4 per cent and Corporate customers down 0.2 per cent
- Deposits stable currency-adjusted
 - Personal customers down 2.5 per cent and Corporate customers up 1.7 per cent

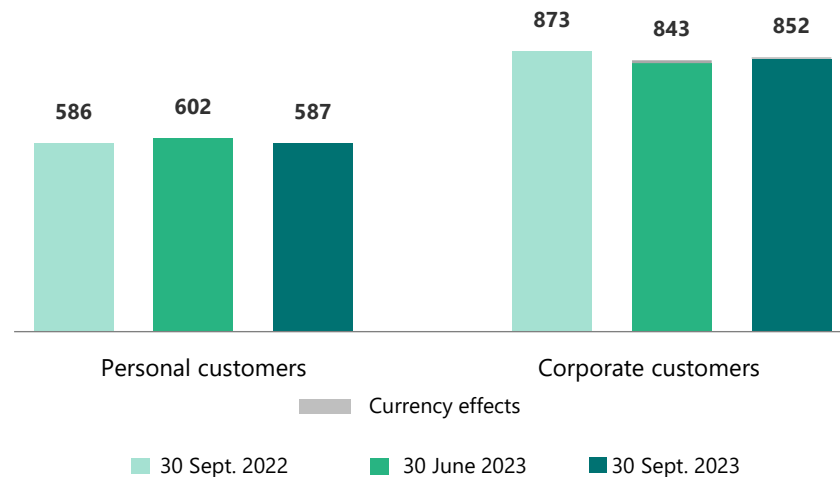
Loans by customer segment

NOK billion



Deposits by customer segment

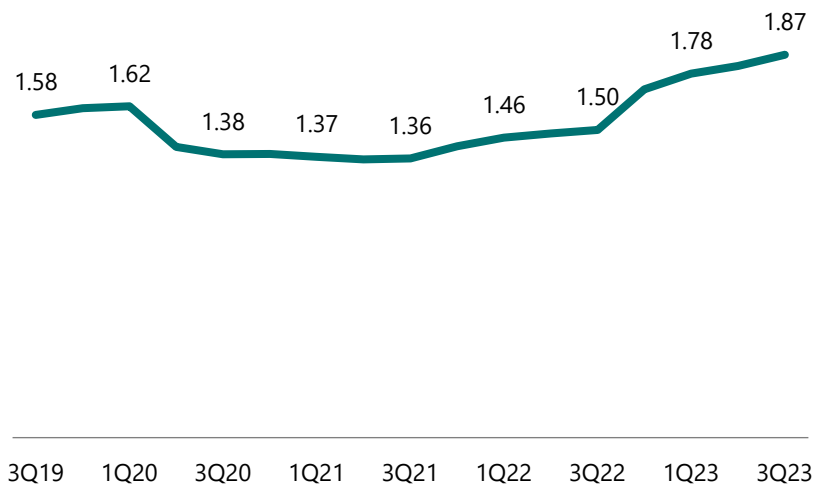
NOK billion



Stable combined spreads and positive development in net interest margin

Net interest margin¹

Per cent



Spreads in customer segments

Per cent



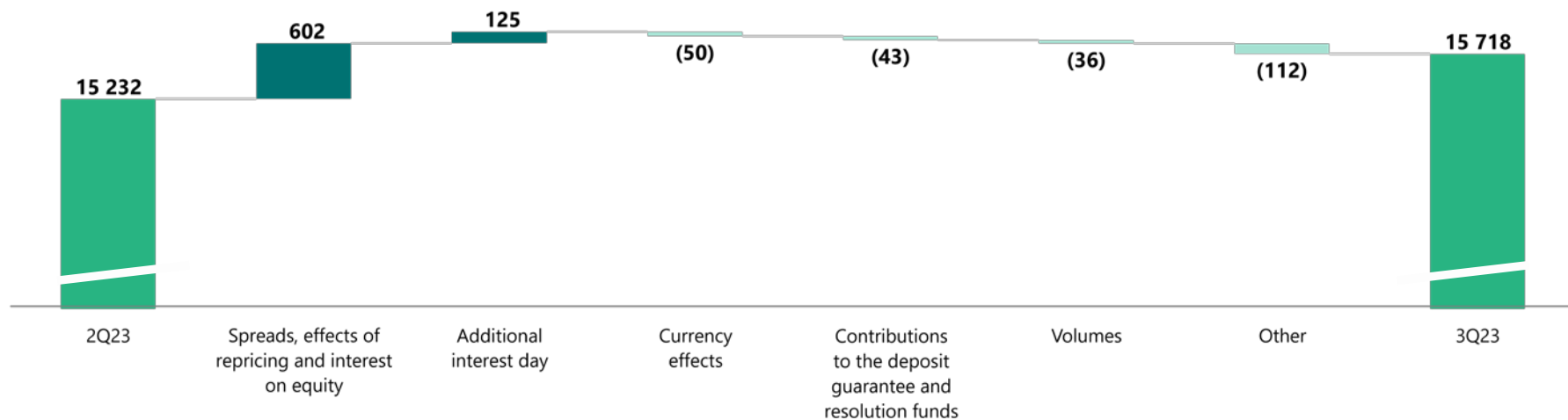
1) Total net interest income relative to average loans and deposits in the customer segments.

Net interest income driven by increased interest rates

- Net interest income up NOK 486 million or 3.2 per cent
- Full effect of repricings implemented mid-May and end-June, and partial effect of repricing in early August
- Following Norges Bank's rate hikes in August and September, DNB announced repricings effective end-October and end-November, respectively

Net interest income from 2Q23 to 3Q23

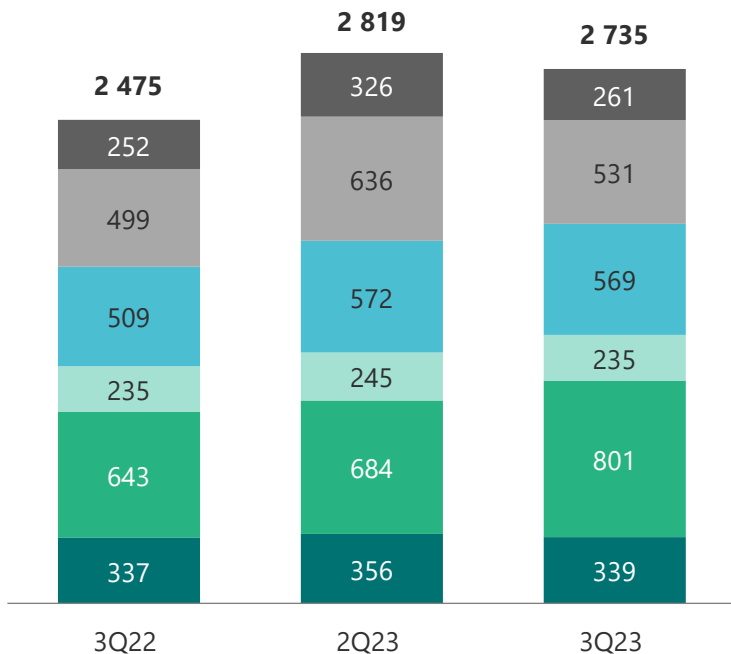
NOK million



Net commissions and fees up 10.5 per cent from 3Q22 – all-time high third quarter

Commissions and fees

NOK million / Change in per cent from 3Q22



+3.3

Real estate broking

Stronger relative performance in a slower market

+6.4

Investment banking services

All-time high third quarter driven by higher DCM¹ and advisory activity

+11.8

Asset management and custodial services

AuM² up 14.3 per cent from 3Q22 – inflow, increased market value and continued positive development in savings schemes in the third quarter

-0.1

Guarantee commissions

Stable demand for Trade Finance products

+24.5

Money transfer and banking services

Solid development

+0.5

Sale of insurance products

Positive development in non-guaranteed pensions

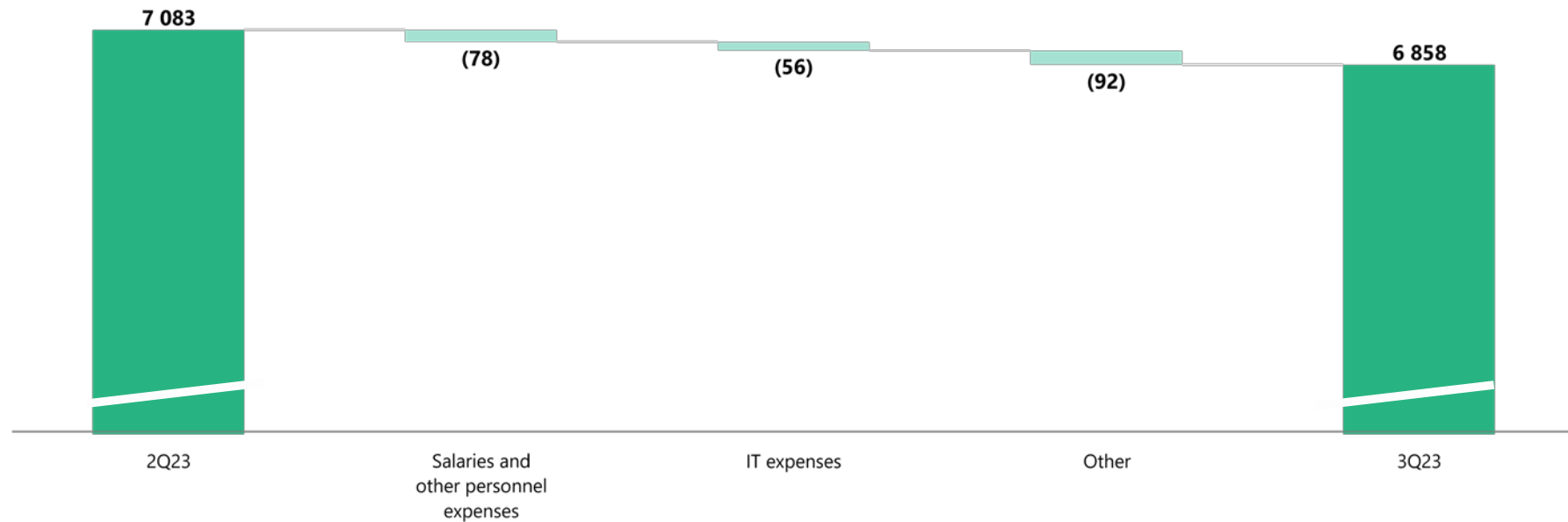
1) DCM: Debt capital market.

2) AuM: Assets under management.

Operating expenses reflecting seasonally lower activity level

Operating expenses from 2Q23 to 3Q23

NOK million



Robust and well-diversified portfolio – 99.3 per cent in stages 1 and 2

- Personal customers portfolio – continued low impairment provisions
- Corporate customers portfolio – increase in stage 3 impairment provisions related to customer-specific events

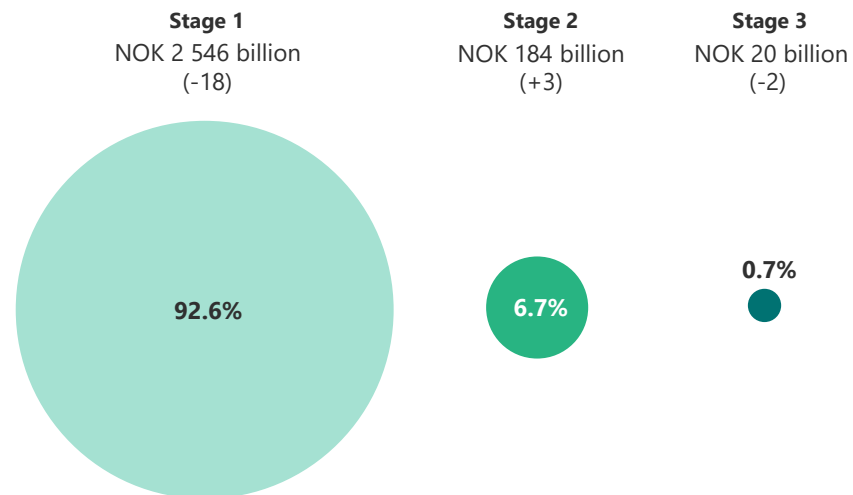
Impairment of financial instruments by industry segment

NOK million

	3Q23	2Q23	3Q22
Personal customers			
- Stages 1 and 2	(24)	34	(66)
- Stage 3	(62)	(37)	(70)
Corporate customers			
- Stages 1 and 2	(18)	(22)	1
- Stage 3	(826)	(193)	283
Other	(7)	(653)	0
Total	(937)	(871)	148

Maximum exposure¹

Changes from 2Q23 in parentheses

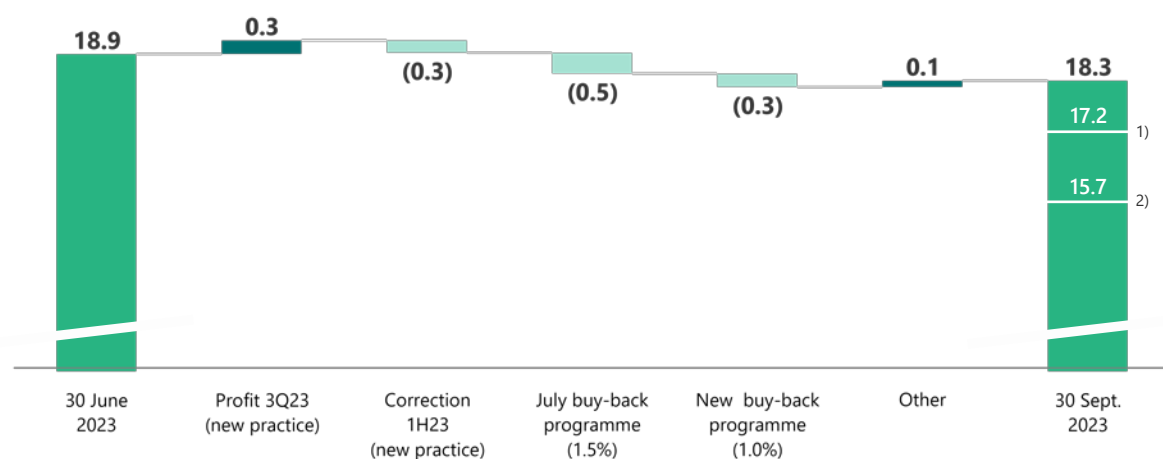


1) On- and off-balance sheet items, net of accumulated impairment provisions.

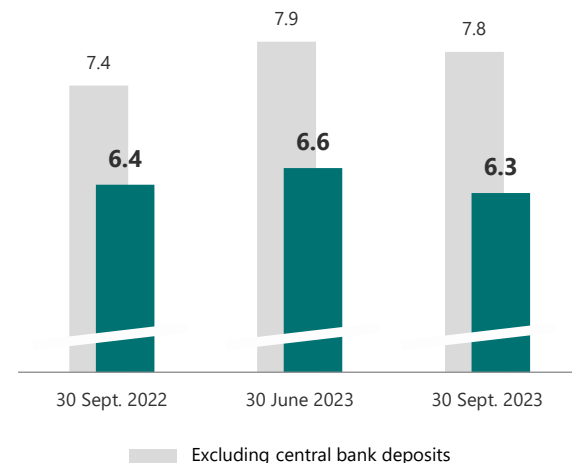
Continued strong capital position – no change in dividend policy

- CET1 capital ratio of 18.3 per cent with ~110 basis-point headroom to the Financial Supervisory Authority's (FSA) expectations
- Following FSA clarification – practice for recognising retained earnings in CET1 capital changed from 50 per cent to average retained earnings for past 3 years, leading to a 30 basis-point reduction in CET1 capital ratio accumulated from 1H23
- Buy-back programme of 1.5 per cent initiated in July completed – new 1.0 per cent programme announced today

CET1 capital ratio Per cent



Leverage ratio Per cent

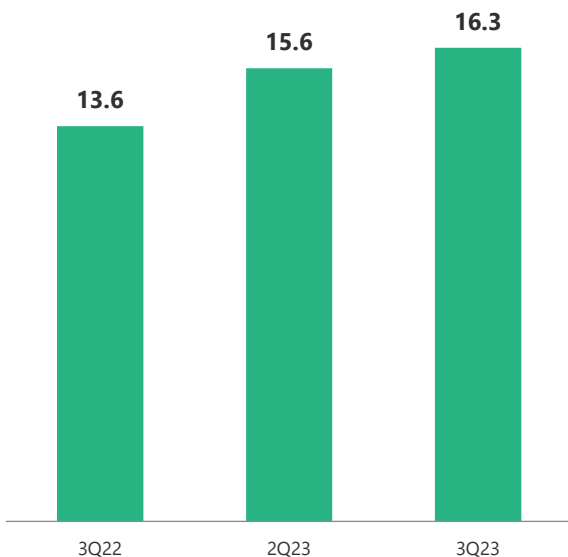


1) The FSA's current expectation. Increased from 17.1 per cent to 17.2 per cent as at 30 September 2023, partly due to increased counter-cyclical buffer in the UK.
 2) The FSA's current requirement.

Strong third quarter result

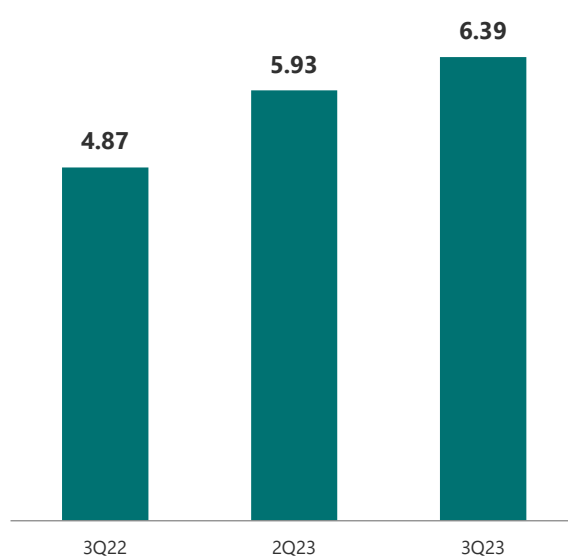
Return on equity

Per cent



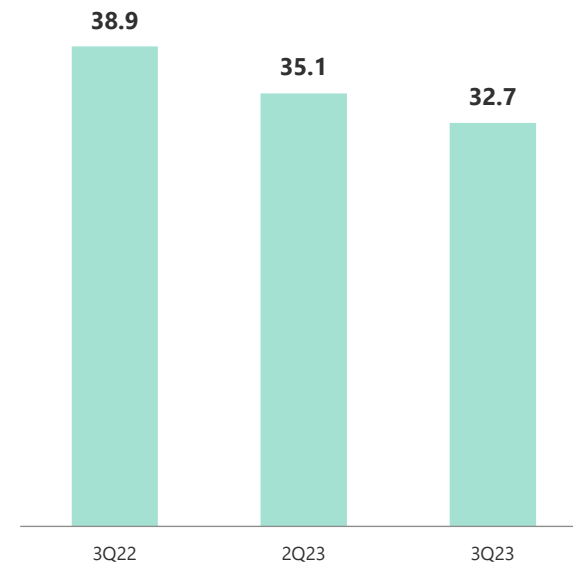
Earnings per share

NOK



Cost/income ratio

Per cent



Appendix



Income statement

NOK million	3Q23	2Q23	3Q22	Change from 2Q23	Change from 3Q22
Net interest income	15 718	15 232	12 253	486	3 465
Other operating income	5 252	4 971	3 867	281	1 385
Total income	20 970	20 203	16 120	767	4 850
Operating expenses	(6 858)	(7 083)	(6 272)	225	(586)
Pre-tax operating profit before impairment	14 112	13 120	9 848	992	4 265
Impairment of loans and guarantees and gains on assets	(941)	(856)	148	(84)	(1 089)
Pre-tax operating profit	13 172	12 263	9 996	908	3 176
Tax expense	(3 029)	(2 821)	(2 289)	(209)	(740)
Profit from operations held for sale, after taxes	(0)	19	26	(19)	(26)
Profit for the period	10 142	9 462	7 733	680	2 409
Portion attributable to shareholders	9 805	9 149	7 555	656	2 251

Other operating income

NOK million	3Q23	2Q23	3Q22	Change from 2Q23	Change from 3Q22
Net commissions and fees	2 735	2 819	2 475	(84)	260
Customer revenues in DNB Markets	752	771	712	(18)	40
Trading revenues in DNB Markets	251	401	86	(150)	164
Hedging of defined-benefit pension scheme	(19)	48	(58)	(67)	39
Credit spreads on bonds	(12)	27	(41)	(39)	29
Credit spreads on fixed-rate loans	136	58	(61)	77	197
CVA/DVA/FVA	65	36	(107)	29	172
Other mark-to-market adjustments	702	(326)	(978)	1 028	1 681
Basis swaps	(162)	53	369	(214)	(531)
Exchange rate effects on additional Tier 1 capital	(11)	209	783	(220)	(794)
Net gains on financial instruments at fair value	1 703	1 277	706	426	998
Net life insurance result	364	338	261	26	103
Profit from investments accounted for by the equity method	(65)	76	60	(142)	(125)
Other	515	460	365	55	150
Net other operating income, total	5 252	4 971	3 867	281	1 385

DISCLAIMER

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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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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