

DNB Group

# Third quarter report 2023

Unaudited

DNB

# Financial highlights

<b>Income statement</b>	3rd quarter	3rd quarter	Jan.-Sept.	Jan.-Sept.	Full year
<i>Amounts in NOK million</i>	2023	2022	2023	2022	2022
Net interest income	15 718	12 253	45 550	34 223	48 294
Net commissions and fees	2 735	2 475	8 188	7 619	10 328
Net gains on financial instruments at fair value	1 703	706	5 444	3 892	4 147
Net insurance result	364	261	857	730	1 235
Other operating income	449	425	1 670	1 111	2 129
Net other operating income	5 252	3 867	16 159	13 353	17 840
Total income	20 970	16 120	61 709	47 576	66 133
Operating expenses	(6 850)	(6 257)	(20 756)	(18 287)	(25 627)
Restructuring costs and non-recurring effects	(8)	(15)	(161)	(150)	(176)
Pre-tax operating profit before impairment	14 112	9 848	40 792	29 139	40 331
Net gains on fixed and intangible assets	(4)	1	11	2	(24)
Impairment of financial instruments	(937)	148	(1 729)	946	272
Pre-tax operating profit	13 172	9 996	39 074	30 086	40 579
Tax expense	(3 029)	(2 289)	(8 987)	(6 892)	(7 411)
Profit from operations held for sale, after taxes	(0)	26	(11)	143	270
Profit for the period	10 142	7 733	30 076	23 337	33 438

<b>Balance sheet</b>	30 Sept.	31 Dec.	30 Sept.
<i>Amounts in NOK million</i>	2023	2022	2022
Total assets	3 649 099	3 233 405	3 480 777
Loans to customers	2 014 716	1 961 464	1 959 276
Deposits from customers	1 485 663	1 396 630	1 470 882
Total equity	264 102	249 840	241 598
Average total assets	3 684 284	3 502 400	3 481 139
Total combined assets <sup>1</sup>	4 199 285	3 726 791	3 959 375

<b>Key figures and alternative performance measures</b>	3rd quarter	3rd quarter	Jan.-Sept.	Jan.-Sept.	Full year
	2023	2022	2023	2022	2022
Return on equity, annualised (per cent) <sup>1</sup>	16.3	13.6	16.4	13.8	14.7
Earnings per share (NOK)	6.39	4.87	18.90	14.66	21.02
Combined weighted total average spreads for lending and deposits (per cent) <sup>1</sup>	1.38	1.16	1.38	1.18	1.21
Average spreads for ordinary lending to customers (per cent) <sup>1</sup>	1.28	1.25	1.43	1.53	1.47
Average spreads for deposits from customers (per cent) <sup>1</sup>	1.51	1.05	1.33	0.72	0.88
Cost/income ratio (per cent) <sup>1</sup>	32.7	38.9	33.9	38.8	39.0
Ratio of customer deposits to net loans to customers at end of period, customer segments (per cent) <sup>1</sup>	75.2	78.3	75.2	78.3	75.1
Net loans at amortised cost and financial commitments in stage 2, per cent of net loans at amortised cost <sup>1</sup>	9.36	8.60	9.36	8.60	9.28
Net loans at amortised cost and financial commitments in stage 3, per cent of net loans at amortised cost <sup>1</sup>	1.01	1.32	1.01	1.32	1.25
Impairment relative to average net loans to customers at amortised cost, annualised (per cent) <sup>1</sup>	(0.19)	0.03	(0.12)	0.07	0.01
Common equity Tier 1 capital ratio at end of period (per cent)	18.3	18.1	18.3	18.1	18.3
Leverage ratio (per cent)	6.3	6.4	6.3	6.4	6.8
Share price at end of period (NOK)	215.60	172.85	215.60	172.85	194.45
Book value per share	157.83	145.98	157.83	145.98	150.64
Price/book value <sup>1</sup>	1.37	1.18	1.37	1.18	1.29
Dividend per share (NOK)					12.50

<b>Sustainability:</b>	3rd quarter	3rd quarter	Jan.-Sept.	Jan.-Sept.	Full year
	2023	2022	2023	2022	2022
Finance and facilitate sustainable activities (NOK billion, accumulated)	504.9	349.1	504.9	349.1	390.9
Total assets invested in mutual funds with a sustainability profile (NOK billion)	112.0	25.2	112.0	25.2	27.4
Score from Traction's reputation survey in Norway (points)	59	60	59	60	60
Customer satisfaction index, CSI, personal customers in Norway (score)	70.7	72.9	72.3	73.4	72.8
Female representation at management levels 1-4 (per cent)	38.6	38.1	38.6	38.1	38.3

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

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

# Contents

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

## **Accounts for the DNB Group**

Income statement.....	10
Comprehensive income statement .....	10
Balance sheet .....	11
Statement of changes in equity.....	12
Cash flow statement.....	13
Note G1 Basis for preparation.....	14
Note G2 Segments.....	15
Note G3 Capital adequacy .....	16
Note G4 Development in gross carrying amount and maximum exposure .....	18
Note G5 Development in accumulated impairment of financial instruments.....	19
Note G6 Loans and financial commitments to customers by industry segment .....	20
Note G7 Financial instruments at fair value.....	22
Note G8 Debt securities issued, senior non-preferred bonds and subordinated loan capital .....	23
Note G9 Contingencies .....	24

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

Income statement.....	25
Comprehensive income statement .....	25
Balance sheet .....	26
Statement of changes in equity.....	27
Note P1 Basis for preparation .....	28
Note P2 Capital adequacy .....	29
Note P3 Development in accumulated impairment of financial instruments.....	30
Note P4 Financial instruments at fair value.....	31
Note P5 Information on related parties.....	31

<b>Information about DNB</b> .....	32
------------------------------------	----

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

There are now signs of the Norwegian economy cooling down as higher interest rates have led the activity level to slow down in the third quarter, a trend that started at the beginning of 2023. Despite this slowdown, the labour market remains tight, but there has been a slight easing. The inflation level is still high and above the 2 per cent target of the Norwegian central bank, Norges Bank. In response to the continued inflationary pressure, Norges Bank raised the key policy rate from 3.75 per cent to 4.25 per cent during the quarter. This development reflected the nuanced dynamics highlighting the delicate balance between sustaining growth and managing inflationary pressure.

DNB's results in the third quarter were strong, driven by increased interest rates and a robust fee platform. The capital situation remained solid, and the portfolio well-diversified and robust. The Group is well positioned to deliver on its ambitions and goals, including its dividend policy.

## Third quarter financial performance

The Group delivered strong profits of NOK 10 142 million in the quarter, an increase of NOK 2 409 million, or 31.2 per cent, from the corresponding quarter of last year. Compared with the second quarter, profits increased by NOK 680 million.

Earnings per share were NOK 6.39, compared with NOK 4.87 in the year-earlier period, and NOK 5.93 in the second quarter.

The common equity Tier 1 (CET1) capital ratio was 18.3 per cent at end-September, up from 18.1 per cent a year earlier, and down from 18.9 per cent at end-June.

The leverage ratio was 6.3 per cent at end-September, down from 6.4 per cent in the year-earlier period and from 6.6 per cent at end-June.

Annualised return on equity (ROE) ended at 16.3 per cent for the third quarter, positively impacted by solid performance across customer segments and increased net interest income. The corresponding figures were 13.6 per cent in the third quarter of 2022, and 15.6 per cent in the second quarter of 2023.

Net interest income was up NOK 3 465 million, or 28.3 per cent, and NOK 486 million, or 3.2 per cent, from the third quarter of 2022 and from the previous quarter, respectively. The increase can be ascribed to higher interest rates.

Net other operating income amounted to NOK 5 252 million, up NOK 1 385 million from the corresponding period in 2022, mainly due to higher financial income related to other mark-to-market adjustments. Net commissions and fees reached an all-time high third quarter result, with strong deliveries across product areas. Compared with the second quarter of 2023, net other operating income was up NOK 281 million, due to increased income from financial instruments.

Operating expenses amounted to NOK 6 858 million in the quarter, up NOK 586 million from the corresponding period a year earlier, due to a further strengthening of core competence and the annual salary adjustment. Compared with the previous quarter, operating expenses were down NOK 225 million, reflecting a seasonally lower activity level.

Impairment of financial instruments amounted to NOK 937 million in the third quarter, mainly driven by stage 3 provisions related to customer specific events.

## Sustainability

DNB's transition plan was published on 17 October. The plan is an important strategic tool that helps DNB understand the business implications of its net-zero commitment, and to navigate the challenges and opportunities presented by climate change and the transition to a low-carbon economy.

In the third quarter, DNB completed the update of its Sustainable Product Framework, which was published on 17 October. The update was carried out as a joint effort with DNB's business partner Sustainability, and the framework is closely aligned with the EU Taxonomy in terms of the activities and criteria listed. The third quarter also included testing of DNB's first pilot of a transition loan, an instrument targeted at helping hard-to-abate sectors in their transition efforts.

In the annual analysis of the ESG reporting of the 100 largest companies listed on Oslo Børs (the Oslo Stock Exchange), performed by sustainability consulting firm Position Green, DNB's sustainability reporting was given a B, which was down one grade from last year. This year's report focused on how well prepared companies are for the introduction of the European Sustainability Reporting Standards (ESRS) under the EU Corporate Sustainability Reporting Directive (CSRD). It is expected that the new rules under the CSRD will be implemented in Norway with the same timeline and scope as proposed by the EU. DNB will be obliged to report in 2025 for the accounting year 2024 and is in the process of implementing the requirements.

To further strengthen the Group's sustainability work, DNB joined the Norwegian Coalition for Circular Finance, which is a collaborative arena where participants from the banking, insurance and investment sectors can gain expertise on how to develop circular products, services and tools adapted to new EU legislation and climate-related and environmental goals. The Coalition was established by the Finance Sector Union of Norway, the World Wildlife Fund (WWF) and Circular Norway. DNB also signed the global investor engagement initiative Nature Action 100 during the quarter.

DNB Asset Management continued its work to gather data to meet the requirements in the Sustainable Finance Disclosure Regulation (SFDR) during the quarter. An interdisciplinary collaboration was initiated to ensure compliance with the SFDR, and reporting for the mutual funds in DNB Luxembourg was completed by the deadline of 30 June. DNB Asset Management also reported to Principles for Responsible Investment (PRI) during the quarter. Furthermore, on 17 October, DNB completed the update of its Green Finance Framework, under which DNB can issue green bonds. As of September 2023, DNB was the largest issuer of green bonds in the Nordic countries and the second largest issuer in Europe, with NOK 106 billion issued at the end of the quarter.

As of 30 September, DNB had facilitated a cumulative total of NOK 505 billion in sustainable financing. This was an increase of 10.5 per cent from the previous quarter and shows that DNB is on track to reaching the target of NOK 1 500 billion by 2030. With regard to DNB Asset Management's target of NOK 200 billion in assets in mutual funds with a sustainability profile by 2025, NOK 112 billion had been invested as of 30 September.

## Share buy-back programme

The Annual General Meeting (AGM) in 2023 gave the Board of Directors an authorisation to repurchase up to 3.5 per cent of the company's share capital, as well as an authorisation to DNB Markets of 0.5 per cent for hedging purposes, valid up to the AGM in 2024. DNB has also received approval from Finanstilsynet (the Financial Supervisory Authority of Norway) to repurchase up to 1.5 per cent of outstanding shares, as well as 0.25 per cent for hedging purposes, assuming DNB meets the capital requirements.

As of 30 September, DNB had repurchased shares corresponding to 0.79 per cent of the share capital. In addition, 0.40 per cent of the shares owned by the Norwegian government will be redeemed after the AGM in 2024, bringing total buy-backs to 1.19 per cent at the end of the quarter. The buy-back programme

was completed on 18 October, and a new buy-back programme of 1.0 per cent was approved by the Board of Directors on the same date.

## Other events in the third quarter

DNB NXT, a meeting place for startups, growth companies and investors, was held for the eighth year in a row at various locations in Norway in September and October. The main event, which was held in Oslo, had over 1 300 physical attendees. The event also included Oslo Innovation Week's '100 pitches', where startup companies competed to make the best pitch and win a prize of NOK 200 000.

DNB Markets Equities consolidated its solid top position and retained its second place overall in Institutional Investor's annual Nordic ranking for the sixth year running. In addition, the team secured a first place in the category Corporate Access, and second place in the categories Nordic Equity Research, Nordic Equity Sales and Nordic Equities Trading.

In September, Moody's confirmed DNB's senior unsecured Aa2 rating, and updated the outlook from stable to positive. DNB is now the commercial bank with the highest credit rating in the Nordics from Moody's and S&P, and one of the banks with the highest credit rating globally. In addition, Moody's also upgraded DNB's BCA (Baseline Credit Assessment) from A3 to A2, which in turn meant an upgrade of DNB's rating for other capital instruments.

Following the decisions made in the third quarter by Norges Bank to raise the key policy rate twice by a total of 0.50 percentage point to 4.25 per cent, DNB decided to increase its interest rates by up to 0.50 percentage point in the same period.

In Traction's reputation survey for the third quarter of 2023, DNB scored 59 points. The goal is a result over 65 points.

## Financial performance in the three first quarters

DNB recorded profits of NOK 30 076 million in the first three quarters of 2023, up NOK 6 739 million, or 28.9 per cent, from the previous year. Annualised return on equity was 16.4 per cent, compared with 13.8 per cent in the year-earlier period, and earnings per share were NOK 18.90, up from NOK 14.66 in the first three quarters of 2022.

Net interest income increased by NOK 11 327 million from the corresponding period last year, driven by volume growth, increased interest rates and higher interest on equity, as well as the acquisition of Sbanken on 30 March 2022. There was an average increase in the healthy loan portfolio of 8.7 per cent, and a 7.7 per cent increase in average deposit volumes. Combined spreads widened by 21 basis points, whereas average lending spreads for the customer segments narrowed by 10 basis points, and deposit spreads widened by 61 basis points.

Net other operating income increased by NOK 2 806 million, or 21.0 per cent. Net commissions and fees showed a strong development in the quarter and increased by NOK 568 million, or 7.5 per cent.

Total operating expenses were up NOK 2 480 million compared with the first three quarters of 2022, due to higher activity and a greater number of full-time employees, as well as the acquisition of Sbanken.

Impairment of financial instruments totalled NOK 1 729 million in the first three quarters of 2023. Impairment provisions of NOK 159 million and NOK 1 569 million could be seen in the personal customers industry segment and the corporate customers industry segments, respectively. The impairment provisions in the corporate customers segment were primarily related to the legacy portfolio in Poland and customer-specific events in stage 3, and spread across various industry segments. The impairment provisions were partly curtailed by net reversals from restructuring in the oil, gas and offshore industry segment.

## Third quarter income statement – main items

### Net interest income

<i>Amounts in NOK million</i>	3Q23	2Q23	3Q22
Lending spreads, customer segments	6 105	6 595	5 682
Deposit spreads, customer segments	5 374	4 819	3 739
Amortisation effects and fees	1 074	1 066	1 046
Operational leasing	762	739	627
Contributions to the deposit guarantee and resolution funds	(309)	(266)	(296)
Other net interest income	2 713	2 278	1 455
<b>Net interest income</b>	<b>15 718</b>	<b>15 232</b>	<b>12 253</b>

Net interest income increased by NOK 3 465 million, or 28.3 per cent, from the third quarter of 2022. This was mainly driven by higher interest rates and subsequent customer repricings, as well as higher interest on equity. There was an average increase of NOK 82.4 billion, or 4.6 per cent, in the healthy loan portfolio compared with the third quarter of 2022. Adjusted for exchange rate effects, volumes were up NOK 50.0 billion, or 2.8 per cent. During the same period, deposits were up NOK 5.2 billion, or 0.4 per cent. Adjusted for exchange rate effects, there was a decrease of NOK 22.4 billion, or 1.6 per cent. Average lending spreads widened by 3 basis points, and deposit spreads widened by 45 basis points compared with the third quarter of 2022. Volume-weighted spreads for the customer segments widened by 22 basis points.

Compared with the second quarter of 2023, net interest income increased by NOK 486 million, or 3.2 per cent, driven by higher interest rates, as well as higher interest on equity. In addition, there was one additional interest day. There was an average decrease of NOK 6.4 billion, or 0.3 per cent, in the healthy loan portfolio, and deposits were down NOK 28.4 billion, or 2.0 per cent. Average lending spreads narrowed by 11 basis points, and deposit spreads widened by 17 basis points compared with the previous quarter. Volume-weighted spreads for the customer segments remained stable.

### Net other operating income

<i>Amounts in NOK million</i>	3Q23	2Q23	3Q22
Net commissions and fees	2 735	2 819	2 475
Basis swaps	(162)	53	369
Exchange rate effects on additional Tier 1 capital	(11)	209	783
Net gains on other financial instruments at fair value	1 876	1 016	(447)
Net life insurance result	364	338	261
Net profit from associated companies	(65)	76	60
Other operating income	515	460	365
<b>Net other operating income</b>	<b>5 252</b>	<b>4 971</b>	<b>3 867</b>

Net other operating income increased by NOK 1 385 million and NOK 281 million from the third quarter of 2022 and the previous quarter, respectively. This was mainly due to higher income from financial instruments relating to other mark-to-market adjustments. However, this was partly offset by negative exchange rate effects on additional Tier 1 (AT1) capital and basis swaps.

Net commissions and fees delivered solid results and reached an all-time high third quarter result, reflecting a robust fee platform across business units.

### Operating expenses

<i>Amounts in NOK million</i>	3Q23	2Q23	3Q22
Salaries and other personnel expenses	(3 932)	(4 010)	(3 569)
Restructuring expenses	(8)	(1)	(8)
Other expenses	(2 018)	(2 136)	(1 812)
Depreciation of fixed and intangible assets	(900)	(899)	(884)
Impairment of fixed and intangible assets		(37)	1
<b>Total operating expenses</b>	<b>(6 858)</b>	<b>(7 083)</b>	<b>(6 272)</b>

Operating expenses were up NOK 586 million compared with the third quarter of 2022. This was due to an increased number of full-time employees relating to a further strengthening of core competence and consultants being converted into employees, as well as the annual salary adjustment. In addition, there were higher pension expenses driven by the increased return on the closed defined-benefit pension scheme. The scheme is partly hedged, and a corresponding gain was recognised in net gains on financial instruments.

Compared with the second quarter of 2023, operating expenses were down NOK 225 million, mainly due to a seasonally lower level of activity.

The cost/income ratio was 32.7 per cent in the third quarter.

### Impairment of financial instruments by industry segment

Amounts in NOK million	3Q23	2Q23	3Q22
Personal customers	(86)	(3)	(136)
Commercial real estate	(98)	(66)	(0)
Residential property	(132)	(24)	(13)
Power and renewables	(20)	(196)	(61)
Oil, gas and offshore	(171)	606	333
Other	(430)	(1 188)	25
Total impairment of financial instruments	(937)	(871)	148

Impairment of financial instruments amounted to NOK 937 million in the quarter.

Impairment provisions amounted to NOK 86 million in the personal customers industry segment, mainly driven by consumer finance.

The corporate customers industry segments saw impairment provisions across all three stages, amounting to NOK 851 million. The quarterly impairment provisions could primarily be ascribed to specific customers in stage 3, spread across various industry segments. The quarter saw no changes in the provision for the legacy portfolio in Poland.

Net stage 3 loans and financial commitments amounted to NOK 20 billion at end-September 2023, down NOK 5 billion and NOK 2 billion from the corresponding quarter of 2022 and the previous quarter, respectively. The reduction was primarily driven by a few specific customers in the oil, gas and offshore industry segment.

### Taxes

The DNB Group's tax expense for the third quarter has been estimated at NOK 3 029 million, or 23.0 per cent of the 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	3Q23	2Q23	3Q22
Net interest income	5 507	5 203	3 936
Net other operating income	1 474	1 467	1 404
Total income	6 981	6 670	5 341
Operating expenses	(2 785)	(2 744)	(2 566)
Pre-tax operating profit before impairment	4 196	3 926	2 775
Impairment of financial instruments	(111)	(104)	(98)
Pre-tax operating profit	4 085	3 822	2 677
Tax expense	(1 021)	(955)	(669)
Profit for the period	3 064	2 866	2 008

#### Average balance sheet items in NOK billion

Loans to customers	960.1	960.1	936.2
Deposits from customers	592.7	586.6	591.2

#### Key figures in per cent

Lending spreads <sup>1</sup>	0.39	0.57	0.39
Deposit spreads <sup>1</sup>	2.51	2.18	1.75
Return on allocated capital	19.4	18.2	13.8
Cost/income ratio	39.9	41.1	48.0
Ratio of deposits to loans	61.7	61.1	63.2

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 a solid profit and a return on allocated capital of 19.4 per cent in the third quarter. An increase in total income contributed to the positive development. Loans to customers grew by 2.5 per cent compared with the third quarter of 2022. The healthy mortgage portfolio increased by 2.3 per cent in the same period. Deposits from customers rose by NOK 1.5 billion, or 0.3 per cent, compared with the corresponding quarter of 2022, and the ratio of deposits to loans declined by 1.4 percentage points to 61.7 per cent. Combined spreads on loans and deposits widened by 28 basis points compared with the third quarter of 2022, and by 2 basis points compared with the previous quarter.

Net other operating income remained at the same level compared with the previous quarter, due to seasonal variations in income from payment services and real estate broking. Increased income from real estate broking, as well as payment services and platform fees, contributed to the positive development compared with the corresponding quarter of 2022.

Operating expenses grew by 8.6 per cent compared with the corresponding quarter of last year, mainly due to price and wage inflation as well as an increase in fees and IT activities. Operating expenses rose moderately by 1.5 per cent compared with the previous quarter.

Impairment provisions amounted to NOK 111 million in the personal customers segment in the quarter, compared with impairment provisions of NOK 98 million and NOK 104 million in the corresponding quarter of 2022 and the second quarter of 2023, respectively. The impairment provisions were mainly in stage 3 and driven by consumer finance. There was a slight migration from stage 1 to stage 2 within the mortgage portfolio of approximately NOK 10 billion, mainly due to a somewhat worsened macro forecast in the segment. The effect on the quarterly impairment provisions were limited.

DNB's market share of credit to households in Norway was 23.7 per cent at end-August 2023. The market share of total household savings was 31.0 per cent at the same point in time, while the market share for savings in mutual funds amounted to 8.1 per cent. DNB Eiendom had an average market share of 15.7 per cent in the third quarter.

## Corporate customers

<i>Income statement in NOK million</i>	3Q23	2Q23	3Q22
Net interest income	9 674	9 507	8 076
Net other operating income	2 728	2 725	1 885
Total income	12 403	12 232	9 961
Operating expenses	(4 019)	(4 067)	(3 652)
Pre-tax operating profit before impairment	8 384	8 165	6 308
Net gains on fixed and intangible assets	(0)	1	(1)
Impairment of financial instruments	(827)	(765)	244
Profit from repossessed operations	(6)	14	15
Pre-tax operating profit	7 551	7 414	6 567
Tax expense	(1 888)	(1 853)	(1 642)
Profit for the period	5 663	5 560	4 925

### Average balance sheet items in NOK billion

Loans to customers	949.7	955.4	887.7
Deposits from customers	833.0	864.4	821.5

### Key figures in per cent

Lending spreads <sup>1</sup>	2.19	2.24	2.17
Deposit spreads <sup>1</sup>	0.79	0.77	0.55
Return on allocated capital	20.8	20.8	18.0
Cost/income ratio	32.4	33.3	36.7
Ratio of deposits to loans	87.7	90.5	92.5

1) Calculated relative to the 3-month money market rate. See *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 20.8 per cent in the third quarter, up from 18.0 per cent in the corresponding quarter of 2022, and at the same level as in the previous quarter. The profit was mainly driven by solid net interest income from both loans and deposits, in addition to net other operating income from a broad range of products.

Net interest income increased by NOK 1 598 million compared with the third quarter of 2022 and NOK 167 million compared with the previous quarter. Lending volumes were up 7.0 per cent compared with the corresponding quarter of last year. Adjusted for exchange rate effects, volumes increased by 4.3 per cent. Compared with the previous quarter, lending volumes were down 0.6 per cent, but up 0.4 per cent adjusted for exchange rate effects. Lending spreads narrowed by 5 basis points in the third quarter of 2023. Compared with the level in the corresponding quarter of 2022, lending spreads widened by 3 basis points.

Deposit volumes increased by 1.4 per cent, but decreased by 1.2 per cent adjusted for exchange rate effects, compared with the corresponding quarter of last year. Compared with the previous quarter, deposit volumes were down by 3.6 per cent, or 2.6 per cent adjusted for exchange rate effects. Deposit spreads continued to widen in the third quarter of 2023, affected by the development in NOK money market rates. The ratio of deposits to loans has remained high for some time, but in the longer term it is expected to gradually decrease towards a more normalised level.

Net other operating income amounted to NOK 2 728 million in the third quarter, an increase of NOK 844 million from the third quarter of 2022, and on a level with net other operating income in the previous quarter. Income from net commissions and fees remained at a high level, as did income from Markets activities, which was up NOK 81 million compared with the corresponding quarter of last year. Net gains on financial instruments at fair value amounted to NOK 143 million in the third quarter, compared with a negative NOK 376 million in the corresponding quarter of 2022, and net gains of NOK 114 million in the previous quarter.

Total income for the quarter ended at NOK 12 403 million, an increase of 24.5 per cent compared with the third quarter of 2022, and an increase of 1.4 per cent compared with the previous quarter.

Operating expenses were up 10.0 per cent from the third quarter of last year, mainly driven by higher activity levels in DNB Markets, in addition to increased personnel costs relating to the annual salary adjustments and currency effects. Compared with the previous quarter, operating expenses were down 1.2 per cent.

There were impairment provisions of NOK 827 million in the corporate customers segment, which were mainly driven by specific customers in stage 3 spread across various industry segments.

DNB is well positioned for continued profitable growth in the large corporate customers segment and for building further on its market-leading position in 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>	3Q23	2Q23	3Q22
Net interest income	537	523	241
Net other operating income	768	515	179
Total income	1 305	1 038	420
Operating expenses	227	(8)	345
Pre-tax operating profit before impairment	1 532	1 030	764
Net gains on fixed and intangible assets	(4)	14	1
Impairment of financial instruments	1	(1)	1
Profit from repossessed operations	6	(14)	(15)
Pre-tax operating profit	1 536	1 028	752
Tax expense	(121)	(12)	22
Profit from operations held for sale, after taxes	(0)	19	26
Profit for the period	1 415	1 035	800

### Average balance sheet items in NOK billion

Loans to customers	106.7	112.4	104.6
Deposits from customers	89.5	68.5	36.4

The profit for the other operations segment was NOK 1 415 million in the third quarter.

Risk management income remained at a high level of NOK 473 million this quarter, compared with NOK 46 million in the corresponding quarter of last year. Interest rates remained volatile in the third quarter, making a substantial contribution to the strong results from trading in interest rates and bonds.

The results for guaranteed pension products are measured in accordance with the variable fee approach (VFA). In 2023, Norwegian interest rates have risen significantly, and after the release of the contractual service margin (CSM) for the first three quarters of 2023, the CSM as at 30 September amounted to NOK 12 923 million. The pre-tax profit for guaranteed pension products was NOK 413 million, compared with NOK 299 million in the third quarter of 2022. This can primarily be ascribed to an increase in profits in the corporate portfolio and the release of the CSM.

The solvency margin without transitional rules was 270 per cent as at 30 September 2023, an increase from 236 per cent at the end of the second quarter, mainly due to higher interest rates and reduced market risk. Exposure to shares and real estate was reduced in the quarter. In addition, spread risk was reduced as a result of better credit quality. At the current interest rate level, the transitional rules for technical insurance provisions have no effect, and the solvency margins with and without transitional rules are equal.

DNB's share of the profit in associated companies (most importantly Luminor, Vipps and Fremtind) is included in this segment. There was a decrease in profit from these companies of NOK 123 million compared with the third quarter of 2022, and of NOK 141 million compared with the previous quarter.

## Funding, liquidity and balance sheet

The bank is experiencing considerable interest in its short-term funding programmes from investors in Europe and the US, partly because the interest rates at the short end of the yield curve are expected to be close to the interest rate peak. With a desire to have solid liquidity buffers, the opportunities in the market are to a large extent being taken advantage of, with a particularly strong interest in terms to maturity of 6–12 months, compared with before.

Investors are also interested in the shortest terms, which is reflected in favourable prices. The bank emphasises issuing under all the short-term programmes to maintain good capacity. The US commercial paper (USCP) programme is the largest, most liquid programme, where the bank already has the largest outstanding amount.

The market for financial issuers was relatively good at the beginning of the third quarter of 2023, and this period was marked by markets being seasonally slow with fewer new issuances than usual. At the end of the quarter, credit risk premiums were somewhat lower than at the beginning of the quarter, helped by positive developments in July. The markets' focus was generally linked to developments in the global macroeconomy and whether or not a considerable increase in interest rates to combat high inflation would bring leading economies into a recession. Developments in global market rates have also been greatly characterised by a growing perception among market participants that the key policy rates in the central banks of different countries will be higher for longer than originally anticipated. DNB issued long-term debt instruments worth a total of NOK 26 billion in the third quarter of 2023, broken down into covered bonds in NOK, senior non-preferred bonds in EUR and JPY, and other approved Tier 1 capital (hybrid capital) in NOK and SEK.

The total nominal value of long-term debt securities issued by the Group was NOK 541 billion at end-September, compared with NOK 589 billion a year earlier. The average remaining term to maturity for long-term debt securities issued was 3.4 years, the same as 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 143 per cent at the end of September. The net long-term stable funding ratio, NSFR, was 117 per cent, which was well above the minimum requirement of 100 per cent.

Total combined assets in the DNB Group were OK 4 199 billion at the end of September, up from NOK 3 959 billion a year earlier. Total assets in the Group's balance sheet were NOK 3 649 billion, up from NOK 3 481 billion a year earlier.

Loans to customers increased by NOK 55.4 billion, or 2.8 per cent, from the third quarter of 2022. Customer deposits were up NOK 14.8 billion, or 1.0 per cent, during the same period. The ratio of customer deposits to net loans to customers was 75.2 per cent, down from 78.3 per cent a year earlier.

## Capital position

The common equity Tier 1 (CET1) capital ratio was 18.3 per cent at end-September, up from 18.1 per cent a year earlier, and down from 18.9 per cent at end-June 2023. Share-buy back programmes are deducted from the CET1 capital ratio when approved, and the first buy-back programme of 1.5 per cent initiated in July, and the second programme of 1.0 per cent approved by the Board of Directors on 18 October, contributed to a reduction in the CET1 capital ratio of 80 basis points in the quarter.

Retained earnings in the period contributed to a 30 basis-point increase in the CET1 capital ratio. However, following clarifications from Finanstilsynet, the practice for recognising profit included in the CET1 capital has changed from 50 per cent to reflecting an average of the dividend pay-out ratio for the past three years. This led to a 30 basis-point reduction (year-to-date) in the CET1 capital ratio, in the third quarter.

The CET1 requirement for DNB at end-September was 15.7 per cent, while the expectation from the supervisory authorities was 17.2 per cent including Pillar 2 Guidance. The Group thus had a solid 1.1 percentage-point headroom above the current supervisory authorities' capital level expectation.

The risk exposure amount decreased by NOK 16 billion from end-June, to NOK 1 079 billion at end-September.

The leverage ratio was 6.3 per cent at end-September, down from 6.4 per cent in the year-earlier period and from 6.6 per cent at end-June.

## Development in CET1 capital ratio

Per cent	CET1 capital ratio
<b>2Q23</b>	<b>18.9</b>
Current practice: Profit (50 per cent after tax)	0.3
New practice: Year-to-date effect	(0.3)
July buy-back programme (1.5 per cent)	(0.5)
New buy-back programme (1.0 per cent)	(0.3)
Other	0.1
<b>3Q23</b>	<b>18.3</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 Pillar 1 minimum requirement, DNB must meet the Pillar 2 requirements and the combined buffer requirements under Pillar 1.

## Capital and risk

	3Q23	2Q23	3Q22
CET1 capital ratio, per cent	18.3	18.9	18.1
Tier 1 capital ratio, per cent	20.2	20.4	19.3
Capital ratio, per cent	22.7	23.0	21.5
Risk exposure amount, NOK billion	1 079	1 095	1 090
Leverage ratio, per cent	6.3	6.6	6.4

As the DNB Group consists of both a credit institution and a life 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, and the Solvency II requirement. At end-September, DNB complied with these requirements by a good margin, with excess capital of NOK 25.2 billion.

## New regulatory framework

### Decision on systemically important financial institutions

On 29 September 2023, the Norwegian Ministry of Finance decided that DNB Bank ASA, KBN (the Norwegian Agency for Local Governments), Nordea Eiendomsrett AS and SpareBank 1 SR-Bank ASA are to be regarded as systemically important financial institutions in Norway, as recommended by Finanstilsynet. The decision means that DNB Bank ASA must continue to meet a capital buffer requirement for systemically important financial institutions of 2 per cent, while KBN and Nordea Eiendomsrett AS must continue to meet a requirement of 1 per cent. In addition, SpareBank 1 SR-Bank ASA is now also to be regarded as systemically important, and must meet a requirement of 1 per cent by 30 September 2024.

### Amendment of the Norwegian lending regulations

As of 1 July 2023, the Norwegian Lending Regulations were amended to also apply to loans to consumers secured with collateral other than real estate (such as car and boat loans). Such loans have been included in the Lending Regulations with a flexibility quota of 10 per cent.

### Transparency regarding ownership and participation in the Annual General Meeting

A statutory registration date was introduced for companies registered with the Norwegian Central Securities Depository (VPS) as of 1 July 2023. This means that only shareholders who are registered as such five working days before the Annual General Meeting can participate and vote. At the same time, new rules were introduced for shares managed by nominees and intermediaries.



## Implementation of the Shareholder Rights Directive II (SRD II)

Amendment Regulations from the Norwegian Ministry of Finance entered into force on 1 July 2023 and implement the EU Shareholder Rights Directive II (SRD II) in Norwegian law. The Amendment Regulations lay down new provisions in the Norwegian Financial Institutions Act, the Norwegian Act on the Management of Alternative Investment Funds, the Norwegian Securities Funds Act and the Norwegian Securities Trading Act – and require that institutional investors and asset managers disclose their investment strategies and strategies for shareholder engagement.

As part of the implementation of the SRD II and the work on transparency regarding ownership and participation in annual general meetings, rules have also been laid down on the duty of intermediaries to contribute to the identification of shareholders, the communication of information, the facilitation of the exercise of shareholder rights, the right to charge fees and the practice of the duty of confidentiality.

## Amendments to the Securities Trading Regulations

The amendments to the Norwegian Securities Trading Regulations, which were laid down by the Ministry of Finance and entered into force on 11 September 2023, allow companies outside the EEA to provide investment services directly to eligible counterparties in Norway, i.e. without being established in the EU/EEA. This is important for ensuring flexibility in contract structures with large financial hubs outside the EU/EEA, such as London and New York.

## Macroeconomic developments

The growth in activity in the Norwegian economy has slowed in the quarter. From June to July, however, mainland GDP rose by 0.2 per cent, and from the third quarter, Norges Bank's regional network indicated some growth in the economy in both the third and fourth quarters. The situation in the Norwegian economy is complex. Petroleum-related industries, which have been operating at full capacity, and the service sectors have been among the contributors to growth during the past year. However, there has been a pronounced decline in housing construction, and parts of the retail sector have experienced a fairly sharp fall from the high levels of the pandemic.

In August 2023, consumer prices rose by 4 per cent, compared with August 2022, a clear decline since the 6.7 per cent growth in May. Core inflation, as measured by the annual change in the CPI-

ATE (consumer price index adjusted for tax changes and excluding energy products), was 6.3 per cent in August, down from 6.7 per cent in May. There are indications that the inflation drivers are about to shift from energy and import prices to wage growth and corporate margins. In this year's wage settlement, the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO) agreed on a wage growth limit of 5.2 per cent, but both Norges Bank and DNB Markets estimate this year's wage growth at 5.5 per cent and next year's wage growth at 5.2 per cent.

Norges Bank raised its key policy rate by 25 basis points in both August and September to 4.25 per cent. At its September meeting, the central bank announced that the key policy rate will most likely be raised further in December, but it also acknowledged the possibility that the peak in interest rates has already been reached.

## Future prospects

The DNB Group's overriding financial target is a return on equity (ROE) above 13 per cent.

The stepwise increase in Norges Bank's key policy rate from 0.50 per cent to 2.75 per cent during 2022, followed by DNB's repricing announcements, will have full annual effect in 2023. Moreover, the increase of the key policy rate in 2023 to 4.25 per cent, will have additional positive effects on interest income in 2023.

In addition to positive effects from increasing NOK interest rates and subsequent repricings, the following factors will contribute to reaching the ROE target: growth in loans and 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 between 4 and 5 per cent annually, and 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 above 17.2 per cent. In its capital planning, DNB has set the supervisory expectation plus some headroom as its target capital level. The headroom will reflect foreign exchange (FX) and other market-driven fluctuations. The actual ratio achieved in the third quarter was 18.3 per cent.

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 are being used as a flexible tool for allocating excess capital to DNB's owners.

Oslo, 18 October 2023

The Board of Directors of DNB Bank ASA



Olaug Svarva  
(Chair of the Board)



Jens Petter Olsen  
(Vice Chair of the Board)



Lillian Hattrem



Stian Tegler Samuelsen



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>	3rd quarter 2023	3rd quarter 2022	Jan.-Sept. 2023	Jan.-Sept. 2022	Full year 2022
Interest income, amortised cost	40 897	19 893	109 955	47 824	75 241
Other interest income	2 296	1 436	5 859	2 940	4 751
Interest expenses, amortised cost	(28 179)	(8 389)	(72 316)	(14 088)	(29 080)
Other interest expenses	704	(687)	2 051	(2 452)	(2 619)
<b>Net interest income</b>	<b>15 718</b>	<b>12 253</b>	<b>45 550</b>	<b>34 223</b>	<b>48 294</b>
Commission and fee income	3 610	3 522	10 916	10 505	14 184
Commission and fee expenses	(875)	(1 047)	(2 728)	(2 886)	(3 856)
Net gains on financial instruments at fair value	1 703	706	5 444	3 892	4 147
Net insurance result	364	261	857	730	1 235
Profit from investments accounted for by the equity method	(65)	60	175	285	746
Net gains on investment properties	0	4	(1)	2	(7)
Other income	514	361	1 496	824	1 390
<b>Net other operating income</b>	<b>5 252</b>	<b>3 867</b>	<b>16 159</b>	<b>13 353</b>	<b>17 840</b>
<b>Total income</b>	<b>20 970</b>	<b>16 120</b>	<b>61 709</b>	<b>47 576</b>	<b>66 133</b>
Salaries and other personnel expenses	(3 940)	(3 578)	(11 892)	(10 464)	(14 690)
Other expenses	(2 018)	(1 812)	(6 209)	(5 404)	(7 648)
Depreciation and impairment of fixed and intangible assets	(900)	(882)	(2 816)	(2 569)	(3 465)
<b>Total operating expenses</b>	<b>(6 858)</b>	<b>(6 272)</b>	<b>(20 917)</b>	<b>(18 437)</b>	<b>(25 803)</b>
<b>Pre-tax operating profit before impairment</b>	<b>14 112</b>	<b>9 848</b>	<b>40 792</b>	<b>29 139</b>	<b>40 331</b>
Net gains on fixed and intangible assets	(4)	1	11	2	(24)
Impairment of financial instruments	(937)	148	(1 729)	946	272
<b>Pre-tax operating profit</b>	<b>13 172</b>	<b>9 996</b>	<b>39 074</b>	<b>30 086</b>	<b>40 579</b>
Tax expense	(3 029)	(2 289)	(8 987)	(6 892)	(7 411)
Profit from operations held for sale, after taxes	(0)	26	(11)	143	270
<b>Profit for the period</b>	<b>10 142</b>	<b>7 733</b>	<b>30 076</b>	<b>23 337</b>	<b>33 438</b>
Portion attributable to shareholders	9 805	7 555	29 147	22 729	32 587
Portion attributable to non-controlling interests	6	6	17	73	82
Portion attributable to additional Tier 1 capital holders	331	172	912	536	769
<b>Profit for the period</b>	<b>10 142</b>	<b>7 733</b>	<b>30 076</b>	<b>23 337</b>	<b>33 438</b>
Earnings/diluted earnings per share (NOK)	6.39	4.87	18.90	14.66	21.02
Earnings per share excluding operations held for sale (NOK)	6.39	4.86	18.90	14.57	20.85

## G – COMPREHENSIVE INCOME STATEMENT

<i>Amounts in NOK million</i>	3rd quarter 2023	3rd quarter 2022	Jan.-Sept. 2023	Jan.-Sept. 2022	Full year 2022
<b>Profit for the period</b>	<b>10 142</b>	<b>7 733</b>	<b>30 076</b>	<b>23 337</b>	<b>33 438</b>
Actuarial gains and losses	40	118	40	651	414
Property revaluation	(1)	(31)	(1)	(5)	5
Financial liabilities designated at FVTPL, changes in credit risk	(108)	58	(49)	214	140
Tax	17	(44)	2	(209)	(131)
Items that will not be reclassified to the income statement	(51)	102	(8)	651	428
Currency translation of foreign operations	(2 094)	3 289	5 979	6 949	3 275
Currency translation reserve reclassified to the income statement					(5 213)
Hedging of net investment	1 664	(2 832)	(4 921)	(6 060)	(2 878)
Hedging reserve reclassified to the income statement					5 137
Financial assets at fair value through OCI	102	(258)	(8)	(952)	(704)
Tax	(442)	774	1 232	1 753	900
Tax reclassified to the income statement					(1 284)
Items that may subsequently be reclassified to the income statement	(770)	972	2 283	1 690	(767)
<b>Other comprehensive income for the period</b>	<b>(821)</b>	<b>1 074</b>	<b>2 274</b>	<b>2 341</b>	<b>(340)</b>
<b>Comprehensive income for the period</b>	<b>9 321</b>	<b>8 807</b>	<b>32 350</b>	<b>25 677</b>	<b>33 098</b>

## G – BALANCE SHEET

<i>Amounts in NOK million</i>	Note	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
<b>Assets</b>				
Cash and deposits with central banks		660 444	309 988	441 873
Due from credit institutions		62 767	20 558	67 039
Loans to customers	G4, G5, G6, G7	2 014 716	1 961 464	1 959 276
Commercial paper and bonds	G7	415 852	485 440	421 544
Shareholdings	G7	27 061	33 350	36 220
Assets, customers bearing the risk	G7	155 131	138 259	128 365
Financial derivatives	G7	198 472	185 687	312 574
Investment properties		10 231	14 651	18 092
Investments accounted for by the equity method		18 760	19 246	18 800
Intangible assets		10 419	10 273	10 173
Deferred tax assets		550	510	2 215
Fixed assets		21 531	21 254	22 055
Assets held for sale		1 447	1 767	1 822
Other assets		51 717	30 956	40 730
<b>Total assets</b>		<b>3 649 099</b>	<b>3 233 405</b>	<b>3 480 777</b>
<b>Liabilities and equity</b>				
Due to credit institutions		339 219	177 298	229 776
Deposits from customers	G7	1 485 663	1 396 630	1 470 882
Financial derivatives	G7	215 850	190 142	279 309
Debt securities issued	G7, G8	803 259	737 886	788 949
Insurance liabilities, customers bearing the risk		155 131	138 259	128 365
Insurance liabilities		191 490	200 601	199 646
Payable taxes		8 546	4 057	6 233
Deferred taxes		3 030	2 055	25
Other liabilities		46 786	33 972	46 151
Liabilities held for sale		376	541	461
Provisions		1 093	977	1 089
Pension commitments		5 020	4 657	4 383
Senior non-preferred bonds	G8	90 296	59 702	54 069
Subordinated loan capital	G7, G8	39 237	36 788	29 841
<b>Total liabilities</b>		<b>3 384 997</b>	<b>2 983 565</b>	<b>3 239 179</b>
Additional Tier 1 capital		22 358	16 089	14 849
Non-controlling interests		183	227	421
Share capital		19 131	19 378	19 380
Share premium		18 733	18 733	18 733
Other equity		203 697	195 413	188 216
<b>Total equity</b>		<b>264 102</b>	<b>249 840</b>	<b>241 598</b>
<b>Total liabilities and equity</b>		<b>3 649 099</b>	<b>3 233 405</b>	<b>3 480 777</b>

## G – STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK million</i>	Non-controlling interests	Share capital <sup>1</sup>	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity <sup>1</sup>	Total equity <sup>1</sup>
<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>
IFRS17 implementation							(9 836)	(9 836)
<b>Balance sheet as at 1 Jan. 2022</b>	<b>266</b>	<b>19 379</b>	<b>18 733</b>	<b>16 974</b>	<b>5 444</b>	<b>45</b>	<b>173 235</b>	<b>234 076</b>
Profit for the period	73			536			22 729	23 337
Actuarial gains and losses							651	651
Property revaluation							(5)	(5)
Financial assets at fair value through OCI							(952)	(952)
Financial liabilities designated at FVTPL, changes in credit risk						214		214
Currency translation of foreign operations	33				6 915			6 949
Hedging of net investment					(6 060)			(6 060)
Tax on other comprehensive income					1 515	(54)	83	1 544
Comprehensive income for the period	106			536	2 370	161	22 505	25 677
Interest payments AT1 capital				(543)				(543)
AT1 capital redeemed				(6 548)				(6 548)
Currency movements on interest payment and redemption AT1				478			(428)	50
Additional Tier 1 capital issued				3 250				3 250
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 Sept. 2022</b>	<b>421</b>	<b>19 380</b>	<b>18 733</b>	<b>14 849</b>	<b>7 814</b>	<b>205</b>	<b>180 197</b>	<b>241 598</b>
<b>Balance sheet as at 31 Dec. 2022</b>	<b>227</b>	<b>19 378</b>	<b>18 733</b>	<b>16 089</b>	<b>5 200</b>	<b>150</b>	<b>190 063</b>	<b>249 840</b>
Profit for the period	17			912			29 147	30 076
Actuarial gains and losses							40	40
Property revaluation							(1)	(1)
Financial assets at fair value through OCI							(8)	(8)
Financial liabilities designated at FVTPL, changes in credit risk						(49)		(49)
Currency translation of foreign operations					5 979			5 979
Hedging of net investment					(4 921)			(4 921)
Tax on other comprehensive income					1 230	12	(9)	1 234
Comprehensive income for the period	17			912	2 289	(37)	29 170	32 350
Interest payments AT1 capital				(482)				(482)
Currency movements on AT1 capital				10				10
AT1 capital issued <sup>2</sup>				5 829			(5)	5 823
Net purchase of treasury shares <sup>1</sup>		1					19	20
Share buyback program		(248)					(3 845)	(4 093)
Non-controlling interests	(62)							(62)
Dividends paid for 2022 (NOK 12.50 per share)							(19 316)	(19 316)
Other equity transactions							10	10
<b>Balance sheet as at 30 Sept. 2023</b>	<b>183</b>	<b>19 131</b>	<b>18 733</b>	<b>22 358</b>	<b>7 489</b>	<b>113</b>	<b>196 095</b>	<b>264 102</b>

1) Of which treasury shares held by DNB Markets for trading purposes:

Balance sheet as at 31 December 2022	(1)	(19)	(20)
Net purchase of treasury shares	1	19	20
Balance sheet as at 30 September 2023			

2) The DNB Group's parent, DNB Bank ASA, has issued five additional Tier 1 capital instruments in 2023. The first was issued in January, has a nominal value of NOK 2 300 million and is perpetual with a floating interest of 3-month NIBOR plus 3.5 per cent p.a. The second was issued in September, has a nominal value of NOK 650 million and is perpetual with an interest rate of 7.686 per cent p.a. until 14 March 2029. Thereafter 3-month NIBOR plus 3.5 per cent. The third was issued in September, has a nominal value of NOK 1 100 million and is perpetual with a floating interest rate of 3-month NIBOR plus 3.5 per cent p.a. The fourth was issued in September, has a nominal value of SEK 850 million and is perpetual with an interest rate of 6.888 per cent p.a. until 14 March 2029. Thereafter 3-month STIBOR plus 3.5 per cent p.a. The fifth was issued in September, has a nominal value of SEK 1 000 million and is perpetual with a floating interest rate of 3-month STIBOR plus 3.5 per cent p.a.

## G – CASH FLOW STATEMENT

<i>Amounts in NOK million</i>	Jan.-Sept. 2023	Jan.-Sept. 2022	Full year 2022
<b>Operating activities</b>			
Net payments on loans to customers	(26 812)	(87 905)	(108 632)
Net receipts on deposits from customers	47 302	97 997	57 382
Receipts on issued bonds and commercial paper	1 187 818	1 377 335	1 773 567
Payments on redeemed bonds and commercial paper	(1 145 705)	(1 315 463)	(1 732 556)
Net receipts on loans to credit institutions	129 830	69 322	53 607
Interest received	112 402	46 351	74 480
Interest paid	(55 514)	(12 541)	(29 465)
Net receipts on commissions and fees	9 940	9 000	10 672
Net receipts/(payments) on the sale of financial assets in liquidity or trading portfolio	107 948	29 272	(55 399)
Payments to operations	(19 958)	(18 053)	(22 701)
Taxes paid	(1 640)	(2 436)	(3 645)
Receipts on premiums	13 941	12 953	17 357
Net receipts/(payments) on premium reserve transfers	(1 358)	(386)	666
Payments of insurance settlements	(11 676)	(11 011)	(14 528)
Other net payments	(15 701)	(13 201)	(11 854)
<b>Net cash flow from operating activities</b>	<b>330 818</b>	<b>181 234</b>	<b>8 952</b>
<b>Investing activities</b>			
Net payments on the acquisition or disposal of fixed assets	(3 196)	(3 250)	(3 513)
Receipts on investment properties	2 511	509	3 990
Payments on and for investment properties	(24)	(37)	(37)
Investment in long-term shares	(3)	(9 293)	(9 135)
Disposals of long-term shares	113	54	54
Dividends received on long-term investments in shares	14	821	993
<b>Net cash flow from investing activities</b>	<b>(584)</b>	<b>(11 196)</b>	<b>(7 649)</b>
<b>Financing activities</b>			
Receipts on issued senior non-preferred bonds	26 275	13 805	21 584
Receipts on issued subordinated loan capital	11 788	5 339	13 227
Redemptions of subordinated loan capital	(10 030)	(10 676)	(10 767)
Receipts on issued AT1 capital	5 829	3 250	4 800
Redemptions of AT1 capital		(6 548)	(6 548)
Interest payments on AT1 capital	(482)	(543)	(1 056)
Lease payments	(344)	(429)	(629)
Net sale/(purchase) of own shares	(4 073)	0	(15)
Dividend payments	(19 316)	(15 116)	(15 116)
<b>Net cash flow from financing activities</b>	<b>9 648</b>	<b>(10 918)</b>	<b>5 481</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>11 303</b>	<b>(9 052)</b>	<b>2 603</b>
<b>Net cash flow</b>	<b>351 185</b>	<b>150 067</b>	<b>9 387</b>
Cash as at 1 January	317 123	307 735	307 735
Net receipts of cash	351 185	150 067	9 387
Cash at end of period*	668 308	457 803	317 123
*) <i>Of which: Cash and deposits with central banks</i>	660 444	441 873	309 988
<i>Deposits with credit institutions with no agreed period of notice<sup>1</sup></i>	7 864	15 930	7 135

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 G1 Accounting principles in the annual report for 2022. 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 except for the accounting policy for insurance contracts, which is described below.

### **IFRS 17**

IFRS 17 is the new standard for Insurance Contracts that replaces IFRS 4 Insurance Contracts. The DNB Group has applied IFRS 17 from 1 January 2023. The implementation of the new standard involves significant changes to the Group's accounting for insurance and reinsurance contracts. At the same time the DNB Group has changed its classification of some financial instruments under IFRS 9. IFRS 17 requires comparative figures for 2022.

The new IFRS 17 rules entail a new measurement method for the Group's life insurance liabilities, whereby estimated future cashflows in the insurance contracts are discounted using a marked-based interest rate. This affects the transition effect as at 1 January 2022, recognised liabilities and future profit and loss. There are also changes from the previous presentation in the income statement, as operating expenses relating to insurance contracts under the new rules are included in net operating income, whereas they were previously presented under operating expenses.

The full implementation effect of IFRS 17, including the effect of the changed measurement method for some financial instruments under IFRS 9, is NOK 9 836 million after tax, and the Group's equity at the transition date, 1 January 2022, has been reduced accordingly. The transition to IFRS 17 does not affect the DNB Group's common equity Tier 1 (CET1) capital, and thus does not affect the Group's capital adequacy, leverage ratio, minimum distributable amount (MDA) or dividend capacity.

For additional information on the adoption of IFRS 17, see note G52 Transition to IFRS 17 in the annual report for 2022.

### **Cash flow statement**

As of 1 January 2023, the DNB Group presents the line items 'Receipts on issued bonds and commercial paper', 'Payments on redeemed bonds and commercial paper', 'Interest paid' and 'Interest received' as cash flow from operating activities in the cash flow statement. The changes are reflected in the comparative figures.

## NOTE G2 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 major associated companies (most importantly Luminor, Vipps and Fremtind) is included in Other operations.

### Income statement, third quarter

<i>Amounts in NOK million</i>	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net interest income	5 507	3 936	9 674	8 076	537	241			15 718	12 253
Net other operating income	1 474	1 404	2 728	1 885	768	179	281	399	5 252	3 867
Total income	6 981	5 341	12 403	9 961	1 305	420	281	399	20 970	16 120
Operating expenses	(2 785)	(2 566)	(4 019)	(3 652)	227	345	(281)	(399)	(6 858)	(6 272)
Pre-tax operating profit before impairment	4 196	2 775	8 384	6 308	1 532	764			14 112	9 848
Net gains on fixed and intangible assets			(0)	(1)	(4)	1			(4)	1
Impairment of financial instruments	(111)	(98)	(827)	244	1	1			(937)	148
Profit from repossessed operations			(6)	15	6	(15)				
Pre-tax operating profit	4 085	2 677	7 551	6 567	1 536	752			13 172	9 996
Tax expense	(1 021)	(669)	(1 888)	(1 642)	(121)	22			(3 029)	(2 289)
Profit from operations held for sale, after taxes					(0)	26			(0)	26
Profit for the period	3 064	2 008	5 663	4 925	1 415	800			10 142	7 733

### Income statement, January-September

<i>Amounts in NOK million</i>	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net interest income	15 955	11 114	28 065	21 705	1 530	1 405			45 550	34 223
Net other operating income	4 237	3 986	8 267	7 436	2 935	1 923	720	7	16 159	13 353
Total income	20 192	15 100	36 332	29 140	4 465	3 328	720	7	61 709	47 576
Operating expenses	(8 225)	(7 493)	(12 117)	(10 770)	145	(167)	(720)	(7)	(20 917)	(18 437)
Pre-tax operating profit before impairment	11 967	7 606	24 215	18 371	4 610	3 161			40 791	29 139
Net gains on fixed and intangible assets	0		1	1	10	1			11	2
Impairment of financial instruments	(362)	(151)	(1 367)	1 097	1	1			(1 729)	946
Profit from repossessed operations			139	149	(139)	(149)				
Pre-tax operating profit	11 605	7 455	22 987	19 617	4 482	3 014			39 074	30 086
Tax expense	(2 901)	(1 864)	(5 747)	(4 904)	(339)	(124)			(8 987)	(6 892)
Profit from operations held for sale, after taxes					(11)	143			(11)	143
Profit for the period	8 704	5 591	17 241	14 713	4 132	3 033			30 076	23 337

## NOTE G3 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, excluding insurance companies. Associated companies are consolidated pro rata.

### Own funds

<i>Amounts in NOK million</i>	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
Total equity	264 102	249 840	241 598
Effect from regulatory consolidation	2 011	2 244	2 758
Adjustment to retained earnings for foreseeable dividends <sup>1</sup>	(18 622)		(10 597)
Additional Tier 1 capital instruments included in total equity	(21 803)	(15 974)	(14 424)
Net accrued interest on additional Tier 1 capital instruments	(555)	(114)	(424)
Common equity Tier 1 capital instruments	225 133	235 994	218 910
Regulatory adjustments			
Pension funds above pension commitments	(41)		(2)
Goodwill	(9 481)	(9 555)	(8 973)
Deferred tax assets that rely on future profitability, excluding temporary differences	(413)	(415)	(440)
Other intangible assets	(2 459)	(2 165)	(1 911)
Dividends payable and group contributions		(19 316)	
Share buy-back program	(6 154)	(1 437)	
Deduction for investments in insurance companies <sup>2</sup>	(4 510)	(4 677)	(5 574)
IRB provisions shortfall	(2 840)	(2 694)	(2 875)
Additional value adjustments (AVA)	(1 101)	(1 194)	(1 085)
Insufficient coverage for non-performing exposures	(424)	(90)	(63)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(113)	(150)	(205)
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(235)	(214)	(305)
Common equity Tier 1 capital	197 362	194 088	197 477
Additional Tier 1 capital instruments	21 803	15 974	14 424
Deduction of holdings of Tier 1 instruments in insurance companies <sup>3</sup>	(1 500)	(1 500)	(1 500)
Non-eligible Tier 1 capital, DNB Group <sup>3</sup>		(117)	(91)
Additional Tier 1 capital instruments	20 303	14 357	12 834
Tier 1 capital	217 665	208 445	210 311
Perpetual subordinated loan capital			6 122
Term subordinated loan capital	32 694	28 729	22 996
Deduction of holdings of Tier 2 instruments in insurance companies <sup>3</sup>	(5 588)	(5 588)	(5 588)
Non-eligible Tier 2 capital, DNB Group <sup>4</sup>		(123)	(98)
Additional Tier 2 capital instruments	27 106	23 018	23 432
Own funds	244 771	231 463	233 743
Total risk exposure amount	1 078 884	1 061 993	1 089 515
Minimum capital requirement	86 311	84 959	87 161
Capital ratios:			
Common equity Tier 1 capital ratio	18.3	18.3	18.1
Tier 1 capital ratio	20.2	19.6	19.3
Total capital ratio	22.7	21.8	21.5

1) Capital adequacy figures include part of the interim profits. For quarterly figures, 50 per cent of profits have been included in CET1 capital, up to and including the second quarter of 2023. From 30 September 2023, an average of the dividend pay-out ratio for the past three years has been deducted from the interim profits, in accordance with CRR. The Group's dividend policy has not been changed.

2) 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.

3) 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.

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



## NOTE G3 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

<i>Amounts in NOK million</i>	Original exposure 30 Sept. 2023	Exposure at default (EAD) 30 Sept. 2023	Average risk weight in per cent 30 Sept. 2023	Risk exposure amount (REA) 30 Sept. 2023	Capital requirement 30 Sept. 2023	Capital requirement 31 Dec. 2022
<b>IRB approach</b>						
Corporate exposures	1 183 334	963 296	42.9	413 009	33 041	32 642
<i>of which specialised lending (SL)</i>	7 587	7 181	32.0	2 300	184	334
<i>of which small and medium-sized enterprises (SME)</i>	228 202	204 217	44.2	90 274	7 222	6 884
<i>of which other corporates</i>	947 545	751 897	42.6	320 435	25 635	25 425
Retail exposures	1 014 077	999 784	22.4	223 454	17 876	17 792
<i>of which secured by mortgages on immovable property</i>	930 899	930 899	21.7	202 218	16 177	16 008
<i>of which other retail</i>	83 178	68 885	30.8	21 236	1 699	1 785
<b>Total credit risk, IRB approach</b>	<b>2 197 411</b>	<b>1 963 080</b>	<b>32.4</b>	<b>636 463</b>	<b>50 917</b>	<b>50 435</b>
<b>Standardised approach</b>						
Central government and central banks	661 456	660 782	0.0	87	7	0
Regional government or local authorities	46 053	39 281	1.4	546	44	61
Public sector entities	73 578	71 998	0.1	53	4	4
Multilateral development banks	52 212	52 212				
International organisations	697	697				
Institutions	100 519	69 619	28.4	19 746	1 580	1 530
Corporate	211 082	179 061	68.3	122 308	9 785	9 326
Retail	159 639	70 432	74.6	52 542	4 203	3 947
Secured by mortgages on immovable property	152 594	136 331	39.0	53 102	4 248	4 117
Exposures in default	3 630	2 678	128.7	3 448	276	211
Items associated with particular high risk	758	751	150.0	1 126	90	108
Covered bonds	52 416	52 416	10.0	5 242	419	351
Collective investment undertakings	1 405	1 405				19
Equity positions	24 141	24 138	225.0	54 314	4 345	4 368
Other assets	26 816	26 816	49.7	13 326	1 066	926
<b>Total credit risk, standardised approach</b>	<b>1 566 996</b>	<b>1 388 618</b>	<b>23.5</b>	<b>325 840</b>	<b>26 067</b>	<b>24 969</b>
<b>Total credit risk</b>	<b>3 764 407</b>	<b>3 351 698</b>	<b>28.7</b>	<b>962 304</b>	<b>76 984</b>	<b>75 403</b>
<b>Market risk</b>						
Position and general risk, debt instruments				6 906	552	687
Position and general risk, equity instruments				457	37	41
Currency risk				0	0	12
Commodity risk				3	0	0
<b>Total market risk</b>				<b>7 366</b>	<b>589</b>	<b>740</b>
Credit value adjustment risk (CVA)				3 797	304	383
Operational risk				105 418	8 433	8 433
<b>Total risk exposure amount</b>				<b>1 078 884</b>	<b>86 311</b>	<b>84 959</b>

## NOTE G4 DEVELOPMENT IN GROSS CARRYING AMOUNT AND MAXIMUM EXPOSURE

### Loans to customers at amortised cost

<i>Amounts in NOK million</i>	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 1 Jan.</b>	<b>1 750 560</b>	<b>142 273</b>	<b>27 499</b>	<b>1 920 333</b>	<b>1 566 150</b>	<b>112 099</b>	<b>30 453</b>	<b>1 708 702</b>
Transfer to stage 1	69 310	(65 865)	(3 445)		70 508	(66 971)	(3 537)	
Transfer to stage 2	(106 923)	109 296	(2 373)		(106 420)	108 819	(2 399)	
Transfer to stage 3	(2 136)	(6 202)	8 338		(1 570)	(3 193)	4 764	
Originated and purchased	350 924	10 281	2 205	363 409	377 433	4 793	1 974	384 201
Derecognition	(268 081)	(42 982)	(8 106)	(319 169)	(238 280)	(26 109)	(5 600)	(269 989)
Acquisition of Sbanken					77 255	3 309	826	81 390
Exchange rate movements	12 457	978	211	13 646	10 335	1 503	150	11 987
Other <sup>1</sup>	(353)	(337)	(10)	(700)				
<b>Gross carrying amount as at 30 Sept.</b>	<b>1 805 758</b>	<b>147 441</b>	<b>24 318</b>	<b>1 977 518</b>	<b>1 755 410</b>	<b>134 251</b>	<b>26 630</b>	<b>1 916 291</b>

### Financial commitments

<i>Amounts in NOK million</i>	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Maximum exposure as at 1 Jan.</b>	<b>686 122</b>	<b>36 127</b>	<b>3 194</b>	<b>725 444</b>	<b>702 470</b>	<b>30 054</b>	<b>5 330</b>	<b>737 854</b>
Transfer to stage 1	17 207	(16 601)	(606)		20 053	(18 955)	(1 097)	
Transfer to stage 2	(22 756)	22 872	(115)		(23 823)	23 897	(74)	
Transfer to stage 3	(506)	(337)	843		(444)	(211)	655	
Originated and purchased	312 353	2 012	88	314 453	309 342	1 923	1 257	312 522
Derecognition	(262 402)	(6 383)	(1 235)	(270 019)	(315 929)	(6 487)	(1 110)	(323 526)
Acquisition of Sbanken					28 435			28 435
Exchange rate movements	10 931	309	8	11 248	15 553	752	35	16 340
<b>Maximum exposure as at 30 Sept.</b>	<b>740 949</b>	<b>37 999</b>	<b>2 177</b>	<b>781 125</b>	<b>735 656</b>	<b>30 973</b>	<b>4 995</b>	<b>771 625</b>

1) The reduction of the gross carrying value is related to a legacy foreign currency portfolio in Poland. See note G9 Contingencies.

## NOTE G5 DEVELOPMENT IN ACCUMULATED IMPAIRMENT OF FINANCIAL INSTRUMENTS

### Loans to customers at amortised cost

<i>Amounts in NOK million</i>	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 1 Jan.</b>	<b>(637)</b>	<b>(793)</b>	<b>(6 544)</b>	<b>(7 974)</b>	<b>(533)</b>	<b>(749)</b>	<b>(8 700)</b>	<b>(9 982)</b>
Transfer to stage 1	(291)	200	91		(186)	183	2	(0)
Transfer to stage 2	64	(86)	21		60	(75)	15	0
Transfer to stage 3	2	36	(39)		1	17	(18)	
Originated and purchased	(181)	(39)	(3)	(223)	(173)	(75)	(3)	(251)
Increased expected credit loss	(285)	(618)	(3 599)	(4 502)	(317)	(639)	(2 462)	(3 418)
Decreased (reversed) expected credit loss	632	369	2 642	3 643	438	391	2 145	2 974
Write-offs			876	876			2 814	2 814
Derecognition	30	156	181	366	82	249	286	617
Acquisition of Sbanken					(9)	(44)	(275)	(328)
Exchange rate movements	(5)	(8)	(34)	(47)	(11)	(28)	(39)	(77)
Other								
<b>Accumulated impairment as at 30 Sept.</b>	<b>(672)</b>	<b>(782)</b>	<b>(6 407)</b>	<b>(7 861)</b>	<b>(648)</b>	<b>(769)</b>	<b>(6 235)</b>	<b>(7 651)</b>

### Financial commitments

<i>Amounts in NOK million</i>	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 1 Jan.</b>	<b>(194)</b>	<b>(195)</b>	<b>(204)</b>	<b>(593)</b>	<b>(211)</b>	<b>(330)</b>	<b>(669)</b>	<b>(1 209)</b>
Transfer to stage 1	(105)	103	1	(0)	(104)	103	0	(0)
Transfer to stage 2	15	(17)	2		18	(19)	1	
Transfer to stage 3		11	(12)			1	(1)	
Originated and purchased	(160)	(105)		(265)	(103)	(72)		(174)
Increased expected credit loss	(37)	(152)	(100)	(289)	(39)	(109)	(24)	(172)
Decreased (reversed) expected credit loss	261	57	91	409	249	77	425	751
Derecognition		64	3	67	10	98	9	118
Acquisition of Sbanken					(2)	(2)	(1)	(5)
Exchange rate movements	(2)	(3)		(5)	(5)	(17)		(21)
Other								
<b>Accumulated impairment as at 30 Sept.</b>	<b>(220)</b>	<b>(237)</b>	<b>(219)</b>	<b>(676)</b>	<b>(185)</b>	<b>(269)</b>	<b>(260)</b>	<b>(713)</b>

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

## NOTE G6 LOANS AND FINANCIAL COMMITMENTS TO CUSTOMERS BY INDUSTRY SEGMENT

### Loans to customers as at 30 September 2023

<i>Amounts in NOK million</i>	Gross carrying amount	Accumulated impairment			Loans at fair value	Total
		Stage 1	Stage 2	Stage 3		
Bank, insurance and portfolio management	108 312	(19)	(21)	(39)		108 234
Commercial real estate	237 939	(160)	(69)	(448)	83	237 344
Shipping	36 619	(19)	(1)	(211)		36 388
Oil, gas and offshore	38 129	(12)	(4)	(1 107)		37 005
Power and renewables	57 954	(24)	(8)	(723)		57 199
Healthcare	30 553	(8)	(8)			30 538
Public sector	2 879	(0)	(0)	(0)		2 879
Fishing, fish farming and farming	79 278	(13)	(27)	(680)	87	78 645
Retail industries	55 119	(40)	(82)	(365)	1	54 633
Manufacturing	44 158	(32)	(30)	(117)		43 979
Technology, media and telecom	29 362	(11)	(21)	(36)	1	29 296
Services	84 240	(72)	(113)	(648)	16	83 423
Residential property	130 425	(71)	(30)	(329)	265	130 259
Personal customers	971 861	(121)	(231)	(559)	44 592	1 015 543
Other corporate customers	70 689	(70)	(137)	(1 145)	12	69 349
<b>Total<sup>1</sup></b>	<b>1 977 518</b>	<b>(672)</b>	<b>(782)</b>	<b>(6 407)</b>	<b>45 059</b>	<b>2 014 716</b>

1) Of which NOK 68 650 million in repo trading volumes.

### Loans to customers as at 30 September 2022

<i>Amounts in NOK million</i>	Gross carrying amount	Accumulated impairment			Loans at fair value	Total
		Stage 1	Stage 2	Stage 3		
Bank, insurance and portfolio management	91 490	(17)	(15)	(64)		91 393
Commercial real estate	232 411	(104)	(30)	(186)	86	232 178
Shipping	44 699	(30)	(2)	(206)		44 461
Oil, gas and offshore	46 315	(81)	(101)	(2 597)		43 536
Power and renewables	49 762	(19)	(8)	(668)		49 067
Healthcare	31 207	(10)	(2)			31 195
Public sector	3 841	(0)	(0)	(0)		3 841
Fishing, fish farming and farming	63 938	(13)	(25)	(139)	93	63 854
Retail industries	49 714	(37)	(30)	(225)	1	49 424
Manufacturing	41 681	(24)	(30)	(72)		41 556
Technology, media and telecom	26 760	(9)	(4)	(19)	(0)	26 728
Services	78 518	(61)	(76)	(353)	12	78 041
Residential property	123 139	(47)	(22)	(147)	184	123 108
Personal customers	957 454	(150)	(251)	(646)	50 239	1 006 646
Other corporate customers	75 362	(47)	(173)	(913)	9	74 238
<b>Total<sup>1</sup></b>	<b>1 916 291</b>	<b>(648)</b>	<b>(769)</b>	<b>(6 235)</b>	<b>50 626</b>	<b>1 959 265</b>

1) Of which NOK 50 014 million in repo trading volumes.

## NOTE G6    LOANS AND FINANCIAL COMMITMENTS TO CUSTOMERS BY INDUSTRY SEGMENT (continued)

### Financial commitments as at 30 September 2023

<i>Amounts in NOK million</i>	Maximum exposure	Accumulated impairment			Total
		Stage 1	Stage 2	Stage 3	
Bank, insurance and portfolio management	43 311	(15)	(3)	(0)	43 293
Commercial real estate	28 376	(20)	(3)	(3)	28 350
Shipping	14 908	(7)	(0)		14 901
Oil, gas and offshore	66 173	(9)	(8)	(0)	66 156
Power and renewables	59 751	(22)	(7)		59 722
Healthcare	26 101	(6)	(25)		26 070
Public sector	12 890	(0)			12 890
Fishing, fish farming and farming	27 285	(3)	(1)	(0)	27 280
Retail industries	38 501	(19)	(57)	(8)	38 417
Manufacturing	55 461	(32)	(7)	(30)	55 391
Technology, media and telecom	25 913	(9)	(7)	(1)	25 896
Services	26 446	(24)	(44)	(12)	26 366
Residential property	28 248	(22)	(5)	(5)	28 216
Personal customers	290 420	(11)	(24)	(3)	290 382
Other corporate customers	37 340	(21)	(44)	(156)	37 120
<b>Total</b>	<b>781 125</b>	<b>(220)</b>	<b>(237)</b>	<b>(219)</b>	<b>780 449</b>

### Financial commitments as at 30 September 2022

<i>Amounts in NOK million</i>	Maximum exposure	Accumulated impairment			Total
		Stage 1	Stage 2	Stage 3	
Bank, insurance and portfolio management	33 383	(6)	(1)	(0)	33 376
Commercial real estate	33 971	(14)	(2)	(1)	33 955
Shipping	10 592	(7)	(0)		10 585
Oil, gas and offshore	71 113	(32)	(86)	(53)	70 942
Power and renewables	52 718	(14)	(3)		52 701
Healthcare	26 840	(6)	(1)		26 833
Public sector	12 238	(0)			12 238
Fishing, fish farming and farming	24 143	(4)	(4)	(0)	24 134
Retail industries	33 247	(17)	(8)	(4)	33 219
Manufacturing	50 458	(17)	(11)	(0)	50 429
Technology, media and telecom	22 069	(6)	(6)	(0)	22 057
Services	25 454	(21)	(37)	(8)	25 388
Residential property	37 567	(15)	(3)	(7)	37 543
Personal customers	299 574	(11)	(20)	(2)	299 541
Other corporate customers	38 257	(15)	(86)	(184)	37 971
<b>Total</b>	<b>771 625</b>	<b>(185)</b>	<b>(269)</b>	<b>(260)</b>	<b>770 911</b>

## NOTE G7 FINANCIAL INSTRUMENTS AT FAIR VALUE

<i>Amounts in NOK million</i>	Level 1	Level 2	Level 3	Total
<b>Assets as at 30 September 2023</b>				
Loans to customers			45 059	45 059
Commercial paper and bonds	17 844	379 917	591	398 353
Shareholdings	5 148	6 650	15 264	27 061
Assets, customers bearing the risk		155 131		155 131
Financial derivatives	1 029	194 735	2 708	198 472
<b>Liabilities as at 30 September 2023</b>				
Deposits from customers		40 193		40 193
Debt securities issued		5 469		5 469
Senior non-preferred bonds		1 667		1 667
Subordinated loan capital		1 029		1 029
Financial derivatives	2 066	211 513	2 271	215 850
Other financial liabilities <sup>1</sup>	4 609			4 609
<b>Assets as at 30 September 2022</b>				
Loans to customers			50 626	50 626
Commercial paper and bonds	39 225	363 802	677	403 704
Shareholdings	4 046	15 827	16 347	36 220
Assets, customers bearing the risk		128 365		128 365
Financial derivatives	4 949	303 782	3 843	312 574
<b>Liabilities as at 30 September 2022</b>				
Deposits from customers		15 131		15 131
Debt securities issued		7 371		7 371
Senior non-preferred bonds		935		935
Subordinated loan capital		406		406
Financial derivatives	7 742	268 043	3 525	279 309
Other financial liabilities <sup>1</sup>	5 028			5 028

1) Short positions, trading activities.

For a further description of the instruments and valuation techniques, see the annual report for 2022.

### Financial instruments at fair value, level 3

<i>Amounts in NOK million</i>	Financial assets				Financial liabilities
	Loans to customers	Commercial paper and bonds	Shareholdings	Financial derivatives	Financial derivatives
<b>Carrying amount as at 1 January 2022</b>	<b>46 193</b>	<b>351</b>	<b>12 802</b>	<b>1 858</b>	<b>1 605</b>
Net gains recognised in the income statement	(2 456)	(108)	1 286	1 327	1 334
Acquisition of Sbanken	8 033		144		
Additions/purchases	7 045	549	3 004	1 632	1 517
Sales		(237)	(887)		
Settled	(8 028)			(986)	(937)
Transferred from level 1 or level 2		447			
Transferred to level 1 or level 2		(471)	(2)		
Other	(162)	147		12	6
<b>Carrying amount as at 30 September 2022</b>	<b>50 626</b>	<b>677</b>	<b>16 347</b>	<b>3 843</b>	<b>3 525</b>
<b>Carrying amount as at 31 December 2022</b>	<b>49 105</b>	<b>847</b>	<b>16 744</b>	<b>3 431</b>	<b>3 129</b>
Net gains recognised in the income statement	(649)	9	1 225	459	380
Additions/purchases	4 146	964	933	836	773
Sales		(786)	(2 438)		
Settled	(7 543)			(2 019)	(2 011)
Transferred from level 1 or level 2		149			
Transferred to level 1 or level 2		(596)	(1 097)		
Other		4	(103)	1	
<b>Carrying amount as at 30 September 2023</b>	<b>45 059</b>	<b>591</b>	<b>15 264</b>	<b>2 708</b>	<b>2 271</b>

## NOTE G7 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 113 million. The effects on other Level 3 financial instruments are insignificant.

## NOTE G8 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).

### Debt securities issued 2023

<i>Amounts in NOK million</i>	Balance sheet 30 Sept. 2023	Issued 2023	Matured/ redeemed 2023	Exchange rate movements 2023	Other changes 2023	Merger of Sbanken 2023	Balance sheet 31 Dec. 2022
Commercial papers issued, nominal amount	385 916	1 151 082	(1 050 715)	(6 913)			292 462
Bond debt, nominal amount <sup>1</sup>	152 697	12 742	(30 185)	11 029			159 111
Covered bonds, nominal amount <sup>1</sup>	292 006	23 994	(64 805)	19 692			313 125
Value adjustments	(27 360)			58	(606)		(26 812)
<b>Debt securities issued</b>	<b>803 259</b>	<b>1 187 818</b>	<b>(1 145 705)</b>	<b>23 866</b>	<b>(606)</b>	<b>0</b>	<b>737 886</b>
DNB Bank ASA	532 259	1 163 828	(1 080 577)	4 174	267	2 664	441 903

1) Excluding own bonds. The total nominal amount of outstanding covered bonds in DNB Boligkreditt was NOK 401.8 billion as at 30 September 2023. The market value of the cover pool represented NOK 677.3 billion.

### Debt securities issued 2022

<i>Amounts in NOK million</i>	Balance sheet 30 Sept. 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	286 156	1 311 957	(1 197 993)	5 346			166 847
Bond debt, nominal amount	192 641	60 447	(34 889)	15 682		4 034	147 367
Covered bonds, nominal amount	335 652	4 931	(82 581)	16 883		22 682	373 736
Value adjustments	(25 499)			22	(40 564)	234	14 809
<b>Debt securities issued</b>	<b>788 949</b>	<b>1 377 335</b>	<b>(1 315 463)</b>	<b>37 933</b>	<b>(40 564)</b>	<b>26 950</b>	<b>702 759</b>
DNB Bank ASA	470 212	1 371 404	(1 229 953)	21 050	(8 526)		316 238

### Senior non-preferred bonds 2023

<i>Amounts in NOK million</i>	Balance sheet 30 Sept. 2023	Issued 2023	Matured/ redeemed 2023	Exchange rate movements 2023	Other changes 2023	Merger of Sbanken 2023	Balance sheet 31 Dec. 2022
Senior non-preferred bonds, nominal amount	95 871	26 275		4 411			65 185
Value adjustments	(5 575)				(92)		(5 483)
<b>Senior non-preferred bonds</b>	<b>90 296</b>	<b>26 275</b>	<b>0</b>	<b>4 411</b>	<b>(92)</b>	<b>0</b>	<b>59 702</b>
DNB Bank ASA	90 296	26 265	76	4 411	(104)	1 903	57 746

### Senior non-preferred bonds 2022

<i>Amounts in NOK million</i>	Balance sheet 30 Sept. 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	60 463	13 805		6 159		2 000	38 499
Value adjustments	(6 394)				(5 621)	(43)	(730)
<b>Senior non-preferred bonds</b>	<b>54 069</b>	<b>13 805</b>	<b>0</b>	<b>6 159</b>	<b>(5 621)</b>	<b>1 957</b>	<b>37 769</b>
DNB Bank ASA	51 042	12 705		6 159	(5 591)		37 769

## NOTE G8 DEBT SECURITIES ISSUED, SENIOR NON-PREFERRED BONDS AND SUBORDINATED LOAN CAPITAL (continued)

### Subordinated loan capital and perpetual subordinated loan capital securities 2023

	Balance sheet 30 Sept. 2023	Issued 2023	Matured/ redeemed 2023	Exchange rate movements 2023	Other changes 2023	Merger of Sbanken 2023	Balance sheet 31 Dec. 2022
<i>Amounts in NOK million</i>							
Term subordinated loan capital, nominal amount	32 694	11 788	(10 030)	340			30 596
Perpetual subordinated loan capital, nominal amount	6 735			429			6 306
Value adjustments	(192)				(78)		(114)
<b>Subordinated loan capital and perpetual subordinated loan capital securities</b>	<b>39 237</b>	<b>11 788</b>	<b>(10 030)</b>	<b>769</b>	<b>(78)</b>	<b>0</b>	<b>36 788</b>
DNB Bank ASA	39 237	11 788	(10 033)	769	(69)	905	35 877

### Subordinated loan capital and perpetual subordinated loan capital securities 2022

	Balance sheet 30 Sept. 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	22 996	5 339	(10 676)	360		900	27 073
Perpetual subordinated loan capital, nominal amount	6 872			1 121			5 752
Value adjustments	(27)		2		(264)	12	223
<b>Subordinated loan capital and perpetual subordinated loan capital securities</b>	<b>29 841</b>	<b>5 339</b>	<b>(10 674)</b>	<b>1 480</b>	<b>(264)</b>	<b>912</b>	<b>33 047</b>
DNB Bank ASA	28 930	5 339	(10 676)	1 480	(261)		33 047

## NOTE G9 CONTINGENCIES

Due to its extensive operations in Norway and abroad, the DNB Group is regularly a 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.

### Legal risk associated with legacy foreign currency portfolio in DNB Bank Polska S.A.

In June 2023, the Court of Justice of the European Union (CJEU) issued a judgment relating to legal proceedings against a Polish bank without ties to DNB concerning foreign currency loan agreements in Poland. The judgment clarified which claims the parties to a loan agreement can make against each other if a national court finds that a loan agreement is invalid. The CJEU's ruling is expected to affect other Polish banks with similar loan agreements. Based on the clarification from the CJEU, DNB Poland estimates that there is an increased legal risk associated with a legacy foreign currency portfolio. Total provisions at the end of the third quarter of 2023 were NOK 856 million (PLN 351 million). The Group has recognised the provisions by reducing the gross carrying amount in line with IFRS 9. If the recognised exposure is insufficient, the provisions will be recognised in accordance with IAS 37. There were no changes in the provision in PLN in the third quarter.

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

In the second quarter of 2023, DNB Bank ASA received a draft decision from the Norwegian tax authorities relating to the 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 branch offices of DNB Bank ASA to subsidiaries in Sweden and the UK. The Group's maximum tax exposure is estimated to be approximately NOK 1.2 billion. DNB disagrees with the Norwegian tax authorities' assessment. It is DNB's view that its position is strong, and no provisions have been recognised in the accounts.

See note G26 Taxes in the annual report for 2022.



# Accounts for DNB Bank ASA

## P – INCOME STATEMENT

<i>Amounts in NOK million</i>	3rd quarter 2023	3rd quarter 2022	Jan.-Sept. 2023	Jan.-Sept. 2022	Full year 2022
Interest income, amortised cost	35 473	15 827	93 310	36 384	58 681
Other interest income	2 496	1 541	7 369	2 860	5 136
Interest expenses, amortised cost	(25 684)	(8 072)	(66 465)	(13 758)	(27 755)
Other interest expenses	595	583	2 484	1 518	2 499
<b>Net interest income</b>	<b>12 880</b>	<b>9 880</b>	<b>36 698</b>	<b>27 004</b>	<b>38 562</b>
Commission and fee income	2 928	2 230	7 935	6 751	9 048
Commission and fee expenses	(783)	(815)	(2 376)	(2 249)	(2 973)
Net gains on financial instruments at fair value	1 841	(828)	5 373	723	2 246
Other income	1 053	(113)	2 506	2 675	10 638
<b>Net other operating income</b>	<b>5 040</b>	<b>475</b>	<b>13 439</b>	<b>7 900</b>	<b>18 959</b>
<b>Total income</b>	<b>17 919</b>	<b>10 354</b>	<b>50 136</b>	<b>34 905</b>	<b>57 521</b>
Salaries and other personnel expenses	(3 354)	(2 929)	(9 991)	(8 615)	(12 113)
Other expenses	(1 892)	(1 608)	(5 651)	(4 876)	(6 794)
Depreciation and impairment of fixed and intangible assets	(923)	(873)	(2 845)	(2 566)	(3 445)
<b>Total operating expenses</b>	<b>(6 169)</b>	<b>(5 410)</b>	<b>(18 486)</b>	<b>(16 057)</b>	<b>(22 352)</b>
<b>Pre-tax operating profit before impairment</b>	<b>11 750</b>	<b>4 944</b>	<b>31 650</b>	<b>18 847</b>	<b>35 169</b>
Net gains on fixed and intangible assets	(2)	1	0	35	175
Impairment of financial instruments	(663)	146	(299)	727	57
<b>Pre-tax operating profit</b>	<b>11 084</b>	<b>5 091</b>	<b>31 352</b>	<b>19 609</b>	<b>35 401</b>
Tax expense	(2 550)	(1 171)	(7 211)	(4 510)	(4 632)
<b>Profit for the period</b>	<b>8 535</b>	<b>3 920</b>	<b>24 140</b>	<b>15 099</b>	<b>30 768</b>
Portion attributable to shareholders of DNB Bank ASA	8 204	3 757	23 243	14 579	30 026
Portion attributable to additional Tier 1 capital holders	331	163	897	519	743
<b>Profit for the period</b>	<b>8 535</b>	<b>3 920</b>	<b>24 140</b>	<b>15 099</b>	<b>30 768</b>

## P – COMPREHENSIVE INCOME STATEMENT

<i>Amounts in NOK million</i>	3rd quarter 2023	3rd quarter 2022	Jan.-Sept. 2023	Jan.-Sept. 2022	Full year 2022
<b>Profit for the period</b>	<b>8 535</b>	<b>3 920</b>	<b>24 140</b>	<b>15 099</b>	<b>30 768</b>
Actuarial gains and losses	28	124	28	648	408
Financial liabilities designated at FVTPL, changes in credit risk	(33)	24	14	108	77
Tax	1	(37)	(11)	(182)	(114)
Items that will not be reclassified to the income statement	(3)	111	32	574	371
Currency translation of foreign operations	(26)	24	118	(23)	(52)
Currency translation reserve reclassified to the income statement					3
Financial assets at fair value through OCI	102	(282)	(56)	(902)	(732)
Tax	(26)	71	14	225	183
Items that may subsequently be reclassified to the income statement	50	(188)	76	(699)	(597)
<b>Other comprehensive income for the period</b>	<b>47</b>	<b>(76)</b>	<b>107</b>	<b>(125)</b>	<b>(227)</b>
<b>Comprehensive income for the period</b>	<b>8 582</b>	<b>3 844</b>	<b>24 248</b>	<b>14 974</b>	<b>30 542</b>

## P – BALANCE SHEET

<i>Amounts in NOK million</i>	Note	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
<b>Assets</b>				
Cash and deposits with central banks		660 061	309 331	440 844
Due from credit institutions		530 272	471 949	486 151
Loans to customers	P3, P4	1 137 527	1 010 029	998 555
Commercial paper and bonds	P4	359 771	413 878	361 356
Shareholdings	P4	5 481	5 575	5 022
Financial derivatives	P4	228 595	213 665	338 251
Investments in associated companies		10 293	10 232	9 655
Investments in subsidiaries		128 897	133 360	136 476
Intangible assets		8 185	3 561	3 368
Deferred tax assets		102	94	146
Fixed assets		16 024	15 434	16 009
Other assets		34 661	31 107	23 280
<b>Total assets</b>		<b>3 119 869</b>	<b>2 618 215</b>	<b>2 819 111</b>
<b>Liabilities and equity</b>				
Due to credit institutions		428 314	275 556	313 582
Deposits from customers	P4	1 480 280	1 322 995	1 398 080
Financial derivatives	P4	250 408	206 820	299 134
Debt securities issued	P4	532 259	441 903	470 212
Payable taxes		8 654	1 719	4 823
Deferred taxes		3 062	2 325	3 835
Other liabilities		41 841	54 672	28 354
Provisions		736	656	705
Pension commitments		4 431	4 095	3 816
Senior non-preferred bonds		90 296	57 746	51 042
Subordinated loan capital	P4	39 237	35 877	28 930
<b>Total liabilities</b>		<b>2 879 519</b>	<b>2 404 364</b>	<b>2 602 513</b>
Additional Tier 1 capital		22 358	15 386	14 147
Share capital		19 131	19 378	19 380
Share premium		18 733	18 733	18 733
Other equity		180 128	160 354	164 340
<b>Total equity</b>		<b>240 350</b>	<b>213 851</b>	<b>216 599</b>
<b>Total liabilities and equity</b>		<b>3 119 869</b>	<b>2 618 215</b>	<b>2 819 111</b>

## P – STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK million</i>	Share capital <sup>1</sup>	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity <sup>1</sup>	Total equity <sup>1</sup>
<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			519			14 579	15 099
Actuarial gains and losses						648	648
Financial assets at fair value through OCI						(902)	(902)
Financial liabilities designated at FVTPL, changes in credit risk					108		108
Currency translation of foreign operations				(23)			(23)
Tax on other comprehensive income					(27)	71	43
Comprehensive income for the period			519	(23)	81	14 396	14 974
Interest payments AT1 capital			(527)				(527)
AT1 capital redeemed			(6 548)				(6 548)
Currency movements on interest payment and redemption AT1			478			(428)	50
Additional Tier 1 capital issued			3 250				3 250
Net purchase of treasury shares	0					0	0
<b>Balance sheet as at 30 September 2022</b>	<b>19 380</b>	<b>18 733</b>	<b>14 147</b>	<b>532</b>	<b>74</b>	<b>163 734</b>	<b>216 599</b>
<b>Balance sheet as at 31 December 2022</b>	<b>19 378</b>	<b>18 733</b>	<b>15 386</b>	<b>506</b>	<b>50</b>	<b>159 798</b>	<b>213 851</b>
Profit for the period			897			23 243	24 140
Actuarial gains and losses						28	28
Financial assets at fair value through OCI						(56)	(56)
Financial liabilities designated at FVTPL, changes in credit risk					14		14
Currency translation of foreign operations				118			118
Tax on other comprehensive income					(3)	7	3
Comprehensive income for the period			897	118	10	23 222	24 248
Interest payments additional Tier 1 capital			(469)				(469)
Currency movements on interest payment AT1			10				10
AT1 capital issued <sup>2</sup>			5 829			(5)	5 823
Net purchase of treasury shares <sup>1</sup>	1					19	20
Share buyback program	(248)					(3 845)	(4 093)
Merger Sbanken ASA			705			245	950
Other equity transactions						10	10
<b>Balance sheet as at 30 September 2023</b>	<b>19 131</b>	<b>18 733</b>	<b>22 358</b>	<b>624</b>	<b>61</b>	<b>179 444</b>	<b>240 350</b>

1) Of which treasury shares held by DNB Markets for trading purposes:

Balance sheet as at 31 December 2022	(1)	(19)	(20)
Net purchase of treasury shares	1	19	20
Balance sheet as at 30 September 2023			

2) DNB Bank ASA has issued five additional Tier 1 capital instruments in 2023. The first was issued in January, has a nominal value of NOK 2 300 million and is perpetual with a floating interest of 3-month NIBOR plus 3.5 per cent p.a. The second was issued in September, has a nominal value of NOK 650 million and is perpetual with an interest rate of 7.686 per cent p.a. until 14 March 2029. Thereafter 3-month NIBOR plus 3.5 percent. The third was issued in September, has a nominal value of NOK 1 100 million and is perpetual with a floating interest rate of 3-month NIBOR plus 3.5 per cent p.a. The fourth was issued in September, has a nominal value of SEK 850 million and is perpetual with an interest rate of 6.888 per cent p.a. until 14 March 2029. Thereafter 3-month STIBOR plus 3.5 per cent p.a. The fifth was issued in September, has a nominal value of SEK 1 000 million and is perpetual with a floating interest rate of 3-month STIBOR plus 3.5 per cent p.a.

## **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 2022. 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 G8 to the consolidated accounts for information about debt securities issued, senior non-preferred bonds and subordinated loan capital, and note G9 for information about contingencies.

### **Intragroup merger**

The merger of Sbanken ASA and DNB Bank ASA was completed on 2 May 2023.

The merger was completed with accounting and tax continuity. No additional consideration has been paid. As part of the merger, Sbanken's net assets were transferred to DNB Bank ASA for the sake of Group continuity in the parent company accounts, except for Sbanken's ownership of the wholly owned subsidiary Sbanken Boligkreditt AS and loans to customers measured at fair value through other comprehensive income (FVOCI) in the Sbanken ASA accounts, which were transferred at company continuity. Group continuity means that identified intangible assets and goodwill from the acquisition of Sbanken in March 2022, with a total book value of NOK 4.3 billion, are recognised in DNB Bank ASA's accounts as a result of the merger.

Comparative figures for DNB Bank ASA have not been restated. As a result of the merger, DNB Bank ASA's equity increased by NOK 950 million (including NOK 705 million in additional Tier 1 capital) at the date of completion.

## 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

<i>Amounts in NOK million</i>	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
Total equity	240 350	213 851	216 599
Adjustment to retained earnings for foreseeable dividends <sup>1</sup>	(15 341)		(7 290)
Additional Tier 1 capital instruments included in total equity	(21 803)	(15 274)	(13 724)
Net accrued interest on additional Tier 1 capital instruments	(555)	(111)	(422)
Common equity Tier 1 capital instruments	202 652	198 465	195 162
Regulatory adjustments			
Pension funds above pension commitments	(41)		
Goodwill	(6 419)	(2 376)	(2 392)
Deferred tax assets that rely of future profitability, excluding temporary differences	(24)	(24)	(25)
Other intangible assets	(1 517)	(1 020)	(792)
Share buy-back program	(6 154)	(1 437)	
IRB provisions shortfall	(1 481)	(1 412)	(1 646)
Additional value adjustments (AVA)	(1 024)	(1 047)	(961)
Insufficient coverage for non-performing exposures	(331)	(49)	(32)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(61)	(50)	(74)
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(450)	(391)	(544)
Common equity Tier 1 capital	185 151	190 659	188 696
Additional Tier 1 capital instruments	21 803	15 274	13 724
Tier 1 capital	206 954	205 934	202 420
Perpetual subordinated loan capital			6 122
Term subordinated loan capital	32 694	27 829	22 096
Additional Tier 2 capital instruments	32 694	27 829	28 218
Own funds	239 647	233 763	230 639
Total risk exposure amount	945 634	904 035	916 303
Minimum capital requirement	75 651	72 323	73 304
Capital ratios:			
Common equity Tier 1 capital ratio	19.6	21.1	20.6
Tier 1 capital ratio	21.9	22.8	22.1
Total capital ratio	25.3	25.9	25.2

1) Capital adequacy figures include part of the interim profits. For quarterly figures, 50 per cent of profits have been included in CET1 capital, up to and including the second quarter of 2023. From 30 September 2023, an average of the dividend pay-out ratio for the past three years has been deducted from the interim profits, in accordance with CRR. The Group's dividend policy has not been changed.

## NOTE P3 DEVELOPMENT IN ACCUMULATED IMPAIRMENT OF FINANCIAL INSTRUMENTS

### Loans to customers at amortised cost

<i>Amounts in NOK million</i>	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 1 Jan.</b>	<b>(483)</b>	<b>(617)</b>	<b>(5 806)</b>	<b>(6 905)</b>	<b>(433)</b>	<b>(494)</b>	<b>(7 979)</b>	<b>(8 905)</b>
Transfer to stage 1	(261)	173	87		(131)	130	1	
Transfer to stage 2	54	(74)	20		44	(54)	10	
Transfer to stage 3	2	35	(38)		0	15	(16)	
Originated and purchased	(118)	(38)	(3)	(159)	(118)	(46)		(163)
Increased expected credit loss	(197)	(475)	(2 448)	(3 120)	(223)	(516)	(2 216)	(2 956)
Decreased (reversed) expected credit loss	418	247	2 097	2 762	332	236	1 828	2 396
Write-offs			509	509			2 553	2 553
Derecognition (including repayments)	29	122	123	274	63	174	253	491
Merger Sbanken ASA	(12)	(46)	(252)	(309)				
Exchange rate movements	(1)	(1)	(2)	(5)	(0)	(1)	2	0
<b>Accumulated impairment as at 30 Sept.</b>	<b>(567)</b>	<b>(674)</b>	<b>(5 713)</b>	<b>(6 954)</b>	<b>(466)</b>	<b>(556)</b>	<b>(5 564)</b>	<b>(6 586)</b>

### Financial commitments

<i>Amounts in NOK million</i>	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 1 Jan.</b>	<b>(165)</b>	<b>(173)</b>	<b>(203)</b>	<b>(540)</b>	<b>(169)</b>	<b>(250)</b>	<b>(669)</b>	<b>(1 087)</b>
Transfer to stage 1	(87)	86	1		(96)	96	0	
Transfer to stage 2	12	(15)	2		17	(17)	1	
Transfer to stage 3		11	(12)			1	(1)	
Originated and purchased	(135)	(90)		(225)	(86)	(14)		(99)
Increased expected credit loss	(35)	(127)	(100)	(262)	(29)	(104)	(24)	(156)
Decreased (reversed) expected credit loss	218	59	90	367	206	64	425	695
Derecognition	3	62	4	68	10	39	9	58
Merger Sbanken ASA	(2)	(2)	(1)	(5)				
Exchange rate movements	(1)	(1)		(2)	(1)	(3)		(4)
Other								
<b>Accumulated impairment as at 30 Sept.</b>	<b>(191)</b>	<b>(190)</b>	<b>(219)</b>	<b>(599)</b>	<b>(147)</b>	<b>(188)</b>	<b>(258)</b>	<b>(594)</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>	Level 1	Level 2	Level 3	Total
<b>Assets as at 30 September 2023</b>				
Loans to customers		220 290	12 668	232 958
Commercial paper and bonds	15 035	344 290	446	359 771
Shareholdings	3 882	868	732	5 481
Financial derivatives	1 029	224 857	2 708	228 595
<b>Liabilities as at 30 September 2023</b>				
Deposits from customers		40 193		40 193
Debt securities issued		1 172		1 172
Senior non-preferred bonds		1 667		1 667
Subordinated loan capital		1 029		1 029
Financial derivatives	2 066	246 070	2 271	250 408
Other financial liabilities <sup>1</sup>	4 609			4 609
<b>Assets as at 30 September 2022</b>				
Loans to customers		136 358	5 804	142 161
Commercial paper and bonds	36 111	324 568	677	361 356
Shareholdings	2 991	384	1 647	5 022
Financial derivatives	4 949	329 458	3 843	338 251
<b>Liabilities as at 30 September 2022</b>				
Deposits from customers		15 131		15 131
Debt securities issued		2 760		2 760
Senior non-preferred bonds		935		935
Subordinated loan capital		406		406
Financial derivatives	7 742	287 867	3 525	299 134
Other financial liabilities <sup>1</sup>	5 028	1		5 029

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. This portfolio has increased as a result of the Sbanken merger. The corresponding loans are measured at amortised cost in the Group, due to a hold to collect business model.

For a further description of the instruments and valuation techniques, see the annual report for 2022.

## NOTE P5 INFORMATION ON RELATED PARTIES

### DNB Boligkreditt AS

In the three quarters of 2023, loan portfolios representing NOK 1.1 billion (NOK 6.5 billion in the first three quarters of 2022) 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-September 2023, the bank had invested NOK 110.2 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 1 425 million in the first three quarters of 2023 (a negative NOK 662 million in the first three quarters of 2022).

In the first three quarters of 2023, DNB Boligkreditt entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 7.1 billion at end-September 2023.

As of end-September 2023, DNB Bank's ownership of subordinated loan issued by DNB Boligkreditt amounted to NOK 2.2 billion.

DNB Bank's ownership of additional Tier 1 capital instruments issued by DNB Boligkreditt amounted to NOK 227 million at end-September 2023.

DNB Boligkreditt has a long-term overdraft facility in DNB Bank with a limit of NOK 325 billion.

# 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
Jens Petter Olsen	Vice Chair of the Board
Gro Bakstad	
Christine Bosse	
Petter-Børre Furberg	
Julie Galbo	
Lillian Hattrem	
Stian Tegler Samuelsen	
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
Per Kristian Næss-Fladset	Group Executive Vice President of Products & Innovation
Fredrik Berger	Group Chief Compliance Officer (CCO)
Sverre Krog	Group Chief Risk Officer (CRO)
Maria Ervik Løvold	Group Executive Vice President of Technology & Services and Chief Operating Officer (COO)
Anne Sigrun Moen	Group Executive Vice President of People
Even Graff Westerveld	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
Johanna Gateman, Investors Relations	tel. +47 97 13 74 03	johanna.gateman@dnb.no
Thor Tellefsen, Long Term Funding	tel. +47 23 26 84 04	thor.tellefsen@dnb.no

## Financial calendar

### 2024

31 January	Q4 2023
14 March	Annual report 2023
23 April	Q1 2024
29 April	Annual General Meeting
30 April	Ex-dividend date
8 May	Distribution of dividends
11 July	Q2 2024
22 October	Q3 2024

## Other sources of information

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://www.dnb.no)