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DNB GROUP

First quarter report 2013

(UNAUDITED)

DNB

Financial highlights

Income statement *Amounts in NOK million*	1st quarter 2013	1st quarter 2012 [1)]	Full year 2012 [1)]
			DNB Group
Net interest income	6 857	6 653	27 216
Net commissions and fees, core business [2)]	*1 851*	*1 750*	*7 511*
Net financial items	*1 831*	*(143)*	*6 990*
Net other operating income, total	3 682	1 607	14 501
Total income	10 539	8 261	41 717
Operating expenses	5 035	5 058	20 473
Provisions for debt-financed structured products	450	0	0
Impairment losses for goodwill and intangible assets	0	0	287
Pre-tax operating profit before impairment	5 054	3 202	20 957
Net gains on fixed and intangible assets	4	7	(1)
Impairment of loans and guarantees	737	784	3 179
Pre-tax operating profit	4 321	2 425	17 776
Taxes	1 149	631	4 081
Profit from operations held for sale, after taxes	10	0	96
Profit for the period	**3 181**	**1 794**	**13 792**

Balance sheet *Amounts in NOK million*	31 March 2013	31 Dec. 2012 [1)]	31 March 2012 [1)]
Total assets	2 433 815	2 264 801	2 370 813
Loans to customers	1 315 104	1 297 892	1 284 526
Deposits from customers	889 043	810 959	805 985
Total equity	130 807	127 492	115 893
Average total assets	2 378 630	2 363 517	2 269 263
Total combined assets	2 653 242	2 472 655	2 635 456

Key figures	1st quarter 2013	1st quarter 2012 [1)]	Full year 2012 [1)]
Return on equity, annualised (per cent)	10.0	6.3	11.7
Earnings per share (NOK)	1.96	1.10	8.48
Combined weighted total average spread for lending and deposits (per cent)	1.20	1.16	1.18
Cost/income ratio (per cent)	52.0	61.2	49.1
Impairment relative to average net loans to customers, annualised	0.23	0.25	0.24
Common equity Tier 1 capital ratio, transitional rules, at end of period (per cent) [3)]	10.6	9.3	10.7
Tier 1 capital ratio, transitional rules, at end of period (per cent) [3)]	10.8	9.9	11.0
Capital ratio, transitional rules, at end of period (per cent) [3)]	12.1	11.8	12.6
Share price at end of period (NOK)	85.65	73.20	70.40
Price/book value	1.07	1.03	0.90
Proposed dividend per share (NOK)	-	-	2.10

1) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*
2) *Includes commissions and fees related to money transfers and interbank transactions, asset management services, credit broking, real estate broking, custodial services and securities trading as well as the sale of insurance products and other commissions and fees from banking services.*
3) *Including 50 per cent of profit for the period, exept for the full year figures.*

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 and Risk Management Committee.

First quarter report 2013

Directors' report

Introduction

DNB recorded profits of NOK 3 181 million in the first quarter of 2013, up from NOK 1 794 million in the first quarter of 2012. The main reason for the increase in profits was that the effects of basis swaps were far less negative in the first quarter of 2013 than in the year-earlier period. The total level of profits from underlying operations was approximately the same in the two quarters.

The financial markets showed a generally positive trend during the first quarter, with rising equity prices and declining risk premiums. On the other hand, the Cypriot banking crisis had a negative impact. Macroeconomic developments in a number of DNB's international markets remained weak, while the Norwegian economy remained stronger than the economies of most trading partners.

The low interest rate levels caused continued pressure on net interest income, which rose by 3.1 per cent from the first quarter of 2012. On a trailing 12-month basis, there was a 5.9 per cent increase, which is in line with the target presented on DNB's Capital Markets Day in 2012. Wider lending spreads compensated for reduced deposit spreads, and volume-weighted spreads were up 0.04 percentage points from the first quarter of 2012. In March 2013, DNB decided to raise interest rates on home mortgages for personal customers and on loans to small and medium-sized businesses by up to 0.30 percentage points. The interest rate increases entered into effect on 8 March for new loans and on 24 April for existing loans and will thus primarily be reflected in the accounts as from the second quarter. The interest rate increases are part of the adjustment to the new and stricter capital requirements which are in the process of being introduced both in Norway and internationally. The need for wider spreads was confirmed in the Norwegian Ministry of Finance's new capital requirements proposal, presented on 22 March 2013. For further information, please see the paragraph on the new regulatory framework.

At NOK 3 682 million, other operating income was more than NOK 2 billion higher than in the first quarter of 2012. Adjusted for the effect of basis swaps, there was a stable level of operating income.

Adjusted for costs pertaining to non-core operations and non-recurring effects, operating expenses were reduced by 1.1 per cent from the first quarter of 2012. Thus, the Group was ahead of its target to have a stable level of operating expenses during the period up to 2015.

At NOK 737 million, impairment losses on loans and guarantees were lower than in both the first and fourth quarter of 2012. There was a reduction in impairment in most areas of operation, but a continued rise in impairment within shipping.

Return on equity was 10.0 per cent, up from 6.3 per cent in the first quarter of 2012. Adjusted for the effect of basis swaps, return on equity was reduced from 12.5 to 10.6 per cent.

During the first quarter, DNB lost a civil case in the Norwegian Supreme Court concerning two debt-financed structured products. DNB has been sentenced to pay the plaintiff compensation in the amount of NOK 230 000, as well as costs totalling NOK 4.8 million. The Supreme Court based its ruling on the reasoning that the information provided by the bank on the effects of the debt financing of these two products included major errors and omissions. A total of nine such products, including the two products mentioned above, are affected by similar errors and omissions relating to the effects of debt financing. As a best estimate based on the information available, DNB has set aside and charged to the accounts NOK 450 million to cover compensation payments to customers who had made debt-financed investments in these nine products.

During the first quarter, the Euromoney Magazine ranked DNB as Norway's best bank within private banking. Initiatives aimed at this segment will be further strengthened after the reorganisation of the Group in January 2013.

In March 2013, DNB received the 'Marketer of the year 2012' award from Markedsforbundet. The jury based its decision on the Group's consistent marketing concept, creation and development through product innovation and new advertising campaigns, especially within savings.

Income statement

Net interest income

Amounts in NOK million	1st quarter 2013	Change	1st quarter 2012
Net interest income	6 857	204	6 653
Lending and deposit spreads		482	
Lending and deposit volumes		79	
Interest rate days		(64)	
Long-term funding costs		(160)	
Equity and non-interest bearing items		(160)	
Guarantee fund levy		(167)	
Other net interest income		194	

Net interest income rose by NOK 204 million or 3.1 per cent from the first quarter of 2012. On a trailing 12-month basis, there was a 5.9 per cent increase.

Lending spreads widened by 0.38 percentage points from the first quarter of 2012, while deposit spreads narrowed by 0.34 percentage points. The volume-weighted spread widened by 0.04 percentage points from the first quarter of 2012, but was reduced by 0.02 percentage points from the fourth quarter of 2012.

Average lending volumes increased by 1.8 per cent from the first quarter of 2012, but showed a slight decline from the fourth quarter. Compared with the first quarter of 2012, there was a rise in average deposit volumes of as much as 14.3 per cent.

The introduction of permanent guarantee fund levies in Norway, higher long-term funding costs and lower interest income on equity contributed to a reduction in income compared with the first quarter of 2012.

Net other operating income

Amounts in NOK million	1st quarter 2013	Change	1st quarter 2012
Net other operating income	3 682	2 074	1 607
Basis swaps		2 199	
Net gains on investment property		157	
Net other commissions and fees		101	
Net financial and risk result from DNB Livsforsikring 1)		(73)	
Net other gains on foreign exchange and interest rate instruments 2)		(147)	
Profits from associated companies		(151)	
Other operating income		(13)	

1) *Guaranteed returns and allocations to policyholders deducted.*

2) *Excluding guarantees and basis swaps.*

Other operating income increased by NOK 2 074 million from the first quarter of 2012. Adjusted for the effect of basis swaps, there was a NOK 125 million reduction in income. The value of investment property showed an improved trend, parallel to a positive development in net other commissions and fees during the quarter. Among other things, the sale of insurance products developed favourably, while the financial and risk result from DNB Livsforsikring was reduced. Income from the associated company Eksportfinans also declined compared with the first quarter of 2012.

Operating expenses

Amounts in NOK million	1st quarter 2013	Change	1st quarter 2012
Operating expenses	5 485	426	5 058
Costs covering compensation payments to customers relating to certain debt-financed structured products		450	
Operating expenses excluding special non-recurring effects	5 035	(24)	5 058
Costs for non-core operations		(3)	
Cost related to restructuring etc.:			
Impairment losses for intangible assets, leases etc.		45	
Restructuring costs		29	
Rebranding expenses in 1st quarter 2012		(20)	
Reclassifications		(21)	
Total adjusted operating expenses	4 929	(53)	4 982
Income-related costs:			
Operational leasing		35	
Performance-based pay		(61)	
Expenses related to operations:			
Marketing		(47)	
Travelling etc.		(21)	
Pension expenses		(13)	
IT expenses		92	
Other costs		(38)	

Operating expenses, adjusted for non-recurring expenses and restructuring expenses etc. were brought down by NOK 53 million or 1.1 per cent from the first quarter of 2012. There was an increase in IT expenses, while there was a lower cost level in several other areas. There was a reduction in marketing activities compared with the high level in 2012. The average number of full-time positions was reduced by 508 from the first quarter of 2012, which compensated for wage inflation and contributed to a relatively stable trend in salary costs. The reduction in full-time positions partly reflects the sale of operations outside Norway.

Impairment of loans and guarantees

Impairment losses on loans and guarantees totalled NOK 737 million, down NOK 452 million from the fourth quarter of 2012 and NOK 46 million from the first quarter of 2012.

At NOK 616 million, individual impairment declined by NOK 332 million and NOK 71 million from the fourth and first quarter of 2012, respectively. The level of individual impairment was reduced in most segments compared with the respective quarters in 2012, while there was a continued increase in the shipping segment.

At NOK 121 million, collective impairment losses were halved compared with the fourth quarter of 2012 and rose by NOK 25 million from the first quarter of 2012. The rise in new collective impairment losses mainly reflected economic developments in the shipping segment, while there were minor changes for other segments.

Net non-performing and doubtful loans and guarantees amounted to NOK 19.9 billion at end-March 2013, down from NOK 20.3 billion at end-March 2012 and up from NOK 19.7 billion at end-December 2012. Net non-performing and doubtful loans and guarantees represented 1.48 per cent of the loan portfolio, down 0.08 percentage points from end-March 2012 and 0.02 percentage points from end-December 2012.

Taxes

The DNB Group's tax charge for the first quarter of 2013 was NOK 1 149 million, up from NOK 631 million in the year-earlier period. Relative to pre-tax operating profits, the estimated tax charge was 26.6 per cent, which was on a level with the first quarter of 2012 and roughly in line with the Group's expected long-term tax charge.

Business areas

DNB's business areas operate as independent profit centres and are responsible for serving all of the Group's customers and for the total range of products and services. DNB's activities in the first quarter of 2013 were reported based on the business areas Retail Banking, Large Corporates and International, DNB Markets and Insurance and Asset Management. Operations in the Baltics and Poland were previously reported as a separate profit centre, but were integrated in the Large Corporates and International business area with effect from the first quarter of 2013.

Retail Banking

Retail Banking serves the Group's 2.1 million personal customers and some 220 000 corporate customers through the branch network and customer service centres in Norway. DNB aspires to be a local bank for the whole of Norway, while offering the expertise of a large bank.

Pre-tax operating profits totalled NOK 2 431 million in the first quarter of 2013, an increase of NOK 469 million from the year-earlier period. Average net loans increased by 6.2 per cent, while impairment losses on loans were halved during the corresponding period.

Retail Banking	1st quarter		Change	
Income statement in NOK million	2013	2012	NOK mill	%
Net interest income	4 269	3 939	331	8.4
Other operating income	926	897	29	3.2
Income attributable to product suppliers	295	298	(4)	(1.3)
Net other operating income	1 221	1 196	25	2.1
Total income	5 490	5 135	356	6.9
Other operating expenses	2 749	2 698	50	1.9
Costs attributable to product suppliers	148	147	1	0.6
Total operating expenses	2 896	2 845	51	1.8
Pre-tax operating profit before impairment	2 594	2 289	305	13.3
Impairment loss on loans and guarantees	166	322	(156)	(48.5)
Profit from repossessed operations	4	(4)	8	
Pre-tax operating profit	2 431	1 963	469	23.9
Average balance sheet items in NOK billion				
Net loans to customers	875.6	824.4	51.2	6.2
Deposits from customers	462.2	432.2	30.0	6.9
Key figures in per cent				
Lending spread [1)]	2.26	1.82		
Deposit spread [1)]	(0.45)	0.09		
Return on allocated capital [2)]	18.6	17.1		
Cost/income ratio	52.8	55.4		
Ratio of deposits to loans	52.8	52.4		
Number of full-time positions, end of period	4 722	4 993	(271)	(5.4)

1) *Calculated relative to the 3-month money market rate.*
2) *Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the Group.*

The first quarter of 2013 was characterised by somewhat subdued lending growth, especially in the personal customer market. There was a strong home mortgage trend compared with the first quarter of 2012, with average growth of 8.3 per cent. Compared with the fourth quarter of 2012, the increase was more moderate at 1.3 per cent. There was a declining rate of growth for corporate loans throughout 2012, though growth picked up during the first quarter of 2013, standing at 1.6 per cent. Deposits increased by a total of 6.9 per cent for the period, mainly reflecting rising deposits in the personal customer market. The average ratio of deposits to loans was 52.8 per cent for the quarter.

Rising volumes and widening lending spreads relative to the 3-month money market rate contributed to the rise in net interest income from the first quarter of 2012. The reintroduction of guarantee fund levies gave a NOK 105 million reduction in net interest income compared with the year-earlier period. The average volume-weighted interest rate spread was 1.32 per cent in the first quarter of 2013, an increase from 1.23 per cent in the year-earlier period.

A sound trend in income from real estate broking, guarantee commissions and payment services helped raise other operating income compared with the first quarter of 2012. The level of operating expenses reflected rising costs for the bank's new premises in Bjørvika in Oslo and costs related to the restructuring of the distribution network. In addition, a higher level of activity in DNB Finans gave an increase in depreciation on operational leasing. The number of full-time positions was 4 722 at end-March 2013.

The quality of the loan portfolio was sound in both the retail and corporate markets. Net impairment of loans was reduced by NOK 156 million and represented 0.08 per cent of net loans, down from 0.16 per cent in the first quarter of 2012. Net non-performing and doubtful loans and guarantees amounted to NOK 5.7 billion at end-March 2013, down NOK 0.5 billion from end-March 2012.

The market share of credit to households stood at 27.7 per cent at end-February 2013, while the market share of savings was 34.1 per cent at the same time. There was a healthy trend in DNB Eiendom, which was the largest real estate broking company in Norway in the first quarter with a market share of 19.7 per cent.

During the first quarter, DNB entered into agreements with a number of attractive shops, online shops, restaurants and hotels in Norway which will give the bank's customers discounts when they use DNB's Master Card to pay for their purchases.

Retail Banking expects moderate lending growth and continued low impairment losses on loans to both personal and corporate customers. Housing prices are expected to increase further in 2013, though greater housebuilding activity and a stricter regulatory framework could dampen price growth. Low interest rates combined with high real wage growth and a stable, low unemployment rate provide a basis for strong consumption growth.

Large Corporates and International

Large Corporates and International serves large Norwegian corporate customers and the Group's international customers, including customers in the Baltics, Russia and Poland. Operations in the Baltics and Poland were previously reported as a separate profit centre, but were integrated in Large Corporates and International in 2013. Operations are based on broad and sound industry expertise and long-term customer relationships.

Pre-tax operating profits came to NOK 1 793 million in the first quarter of 2013, down NOK 258 million from the first quarter of 2012. The decline in profits mainly reflected the effects of lower lending volumes, which caused a reduction in net interest income and lower product income. Operating profits were NOK 14 million higher than in the fourth quarter of 2012.

Large Corporates and International [1]	1st quarter		Change	
Income statement in NOK million	2013	2012	NOK mill	%
Net interest income	2 575	2 791	(217)	(7.8)
Other operating income	533	527	6	1.2
Income attributable to product suppliers	501	558	(57)	(10.3)
Net other operating income	1 034	1 085	(51)	(4.7)
Total income	3 609	3 876	(267)	(6.9)
Other operating expenses	1 038	1 027	11	1.1
Costs attributable to product suppliers	185	221	(36)	(16.2)
Total operating expenses	1 223	1 248	(25)	(2.0)
Pre-tax operating profit before impairment	2 385	2 628	(243)	(9.2)
Net gains on fixed assets	1	2	(1)	
Impairment loss on loans and guarantees	568	461	107	23.2
Profit from repossessed operations	(26)	(119)	92	
Pre-tax operating profit	1 793	2 051	(258)	(12.6)
Average balance sheet items in NOK billion				
Net loans to customers	425.0	452.3	(27.3)	(6.0)
Deposits from customers	342.5	288.3	54.2	18.8
Key figures in per cent				
Lending spread [2]	2.11	1.84		
Deposit spread [2]	(0.17)	(0.02)		
Return on allocated capital [3]	10.1	11.2		
Cost/income ratio	33.9	32.2		
Ratio of deposits to loans	80.6	63.7		
Number of full-time positions, end of period	4 089	4 412	(322)	(7,3)

1) Including operations in the Baltics and Poland.

2) Calculated relative to the 3-month money market rate.

3) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the Group.

Average loans to customers were reduced by 6.0 per cent from the first quarter of 2012. The reduction reflected weak credit demand in several customer segments combined with strategic portfolio adjustments and brisk bond market activity. Lending volumes declined by NOK 11.2 billion or 2.6 per cent from the fourth quarter of 2012.

There was an 18.8 per cent rise in deposits from the first quarter of 2012. Deposits increased by NOK 4.5 billion or 1.3 per cent from the fourth quarter of 2012.

Relative to the 3-month money market rate, average lending spreads were 2.11 per cent, widening by 0.27 percentage points from the first quarter of 2012 and 0.05 percentage points from the fourth quarter of 2012. The widening spreads helped compensate for higher long-term funding costs. There was still strong competition for deposits, and deposit spreads declined by 0.15 percentage points from the first quarter of 2012 and by 0.02 percentage points from the fourth quarter of 2012.

The reduction in other operating income from the first quarter of 2012 was mainly a consequence of a negative development in the market value of acquired equities and shareholdings and reduced income from the sale of DNB Markets products.

Operating expenses declined by 2.0 per cent from the first quarter of 2012, reflecting reduced staff numbers in certain areas, lower income-related product costs and generally high cost awareness. The cost/income ratio rose by 1.7 percentage points from the first quarter of 2012, but was brought down 3.0 percentage points from the fourth quarter of 2012. At end-March 2013, staff in the business area represented 4 089 full-time positions.

Net impairment of loans represented 0.54 per cent of net loans to customers, of which individual impairment represented 0.42 per cent. In the first quarter of 2012, individual impairment came to 0.30 per cent of net loans.

The quality of the loan portfolios was considered to be sound at end-March 2013. The close follow-up of customers and preventive measures are vital to ensuring satisfactory quality. Market conditions nevertheless caused challenges for certain customer segments, especially shipping. Net non-performing and doubtful loans and guarantees amounted to NOK 14.2 billion at end-March 2013, on a level with the year-earlier figure.

Large Corporates and International will give priority to strong, long-term and profitable customer relationships. Combined with the Group's wide range of products and expertise, this will form the basis for operations over the coming years. Average lending spreads are expected to increase further through continued repricing in certain segments, while competition for stable customer deposits will continue and put pressure on deposits spreads.

DNB Markets

DNB Markets, Norway's largest provider of securities and investment services, recorded a satisfactory level of profits in the first quarter of 2013. Pre-tax operating profits totalled NOK 1 002 million, down NOK 878 million compared with the record-high level of profits in the first quarter of 2012. The first few months of 2013 were characterised by reduced risk premiums and rising equity prices, though there was a moderate level of market activity.

DNB Markets	1st quarter		Change	
Income statement in NOK million	2013	2012	NOK mill	%
FX, interest rate and commodity derivatives	406	415	(10)	(2.3)
Investment products	97	110	(13)	(12.0)
Corporate finance	168	212	(44)	(20.7)
Securities services	49	46	2	5.0
Total customer revenues	719	784	(64)	(8.2)
Net income from international bond portfolio	379	781	(402)	(51.5)
Other market making/trading revenues	335	779	(444)	(57.0)
Total trading revenues	714	1 560	(846)	(54.2)
Interest income on allocated capital	70	82	(12)	(14.6)
Total income	1 503	2 426	(922)	(38.0)
Operating expenses	501	545	(44)	(8.1)
Pre-tax operating profit	1 002	1 881	(878)	(46.7)
Key figures in per cent				
Return on allocated capital [1)]	19.3	44.5		
Cost/income ratio	33.3	22.5		
Number of full-time positions, end of period	693	716	(23)	(3.2)

1) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the Group.

Customer-related revenues totalled NOK 719 million, down NOK 64 million from the first quarter of 2012.

Customer-related income from foreign exchange and interest rate and commodity derivatives was roughly on a level with the first quarter of 2012. Increasing foreign exchange activity was partially counteracted by lower margins. Following a prolonged period of low interest rates, a number of customers have already entered into hedging contracts, resulting in reduced demand for interest rate hedging products compared with the year-earlier period. There was increasing activity and a rise in income from commodity hedging.

There was a reduction in customer-related income from the sale of securities and other investment products due to relatively moderate sales of equities and equity derivatives during the quarter. DNB Markets retained its position as the largest brokerage house on Oslo Børs within bond and commercial paper brokerage.

Due to sluggish activity within equities, including mergers and acquisitions, there was a reduction in revenues from corporate finance services from the first quarter of 2012. There was brisk activity within debt financing throughout the quarter.

Customer-related revenues from custodial and other securities services increased slightly from the first quarter of 2012. Lower custody income was more than offset by a higher level of income from securities services, where DNB has a leading market position in Norway.

Revenues from market making and other proprietary trading were more than halved compared with the first quarter of 2012. Narrower credit spreads ensured significant capital gains on bonds in the first quarter of 2012, while spreads were more stable at the start of 2013.

Developments in the equity, credit, commodity, currency and interest rate markets will be decisive for the business area's future profits.

Insurance and Asset Management

Insurance and Asset Management comprises the DNB Group's activities within life insurance, pension savings, asset management and non-life insurance. Pre-tax operating profits totalled NOK 548 million in the first quarter of 2013, a NOK 120 million increase from the first quarter of 2012.

Insurance and Asset Management	1st quarter		Change	
Income statement in NOK million	2013	2012	NOK mill	%
Total income	1 088	1 017	71	7.0
Operating expenses	541	589	(49)	(8.2)
Pre-tax operating profit	548	428	120	27.9
Tax	62	(96)	158	
Profit	486	524	(38)	(7.3)
Balances in NOK billion (end of period)				
Assets under management	504.8	534.4	(29.6)	(5.5)
Key figures in per cent				
Return on allocated capital [1)]	11.4	13.4		
Cost/income ratio	49.7	57.9		
Number of full-time positions, end of period	971	1 047	(76)	(7.3)

1) Calculated on the basis of average equity in operations.

DNB Livsforsikring

DNB Livsforsikring's pre-tax operating profits came to NOK 462 million, a NOK 64 million increase from the first quarter of 2012.

DNB Livsforsikring	1st quarter		Change	
Income statement in NOK million	2013	2012	NOK mill	%
Interest result	784	1 349	(565)	
Risk result	29	(102)	131	
Administration result	23	(12)	36	
Upfront pricing of risk and guaranteed rate of return	190	142	48	
Other	(4)	(10)	6	
Provisions for higher life expectancy, group pensions	414	733	(319)	
Proposed allocations to policyholders	148	236	(88)	
Pre-tax profit	462	398	64	16.1
Tax charge	38	(104)	142	
Profit	424	502	(78)	(15.6)
Balances in NOK billion (end of period)				
Total assets	282.6	267.4	15,2	5,7
Key figures in per cent				
Return on equity [1)]	10.5	15.8		
Recorded return on assets	1.08	1.34		
Value-adjusted return on assets	1.37	1.94		
Number of full-time positions, end of period	639	716	(77,3)	(10,8)

1) Calculated on the basis of average equity.

There was a positive financial market trend during the first quarter, and there were strong returns on DNB Livsforsikring's portfolios. The equity portfolio generated a return of 7.5 per cent and the bond portfolio a return of 0.9 per cent. The value-adjusted return on the common portfolio was 1.4 per cent. The recorded return was higher than the guaranteed rate of return in all portfolios in the first quarter of 2013.

DNB Livsforsikring's common portfolio represents a sound base, with 55 per cent of the funds invested in property and bonds held to maturity generating annual returns of approximately 5 per cent. These investments contribute to stabilising returns over time. The property portfolio gave a return of 1.1 per cent in the first quarter of 2013, while the corporate portfolio generated a return of 0.9 per cent.

Total assets as at 31 March 2013 were NOK 283 billion, an increase of 4.4 per cent since year-end 2012. Recorded policyholders' funds within defined-contribution pension schemes totalled NOK 21.7 billion, an increase of 8.4 per cent from end-December 2012. Premium income totalled NOK 8.4 billion, virtually unchanged from the first quarter of 2012.

There was a positive risk result of NOK 29 million, compared with a negative result of NOK 102 million in the year-earlier period. Provisions for higher life expectancy of NOK 18 million were made in the first quarter of 2013, relating to individual pension insurance, of which NOK 6 million was charged to the DNB Group.

The company's solvency capital increased by NOK 1.6 billion from 31 December 2012, totalling NOK 31.1 billion at end-March 2013. The capital adequacy ratio was 16.1 per cent, well above the 8 per cent requirement.

DNB Livsforsikring's market share of total policyholders' funds was 28.0 per cent at end-December 2012, down 0.9 percentage points from end-December 2011.

There will be major changes in the regulatory framework for Norwegian life insurance companies over the coming years. Important changes are the need to strengthen premium reserves to reflect higher life expectancy, the introduction of Solvency II, new rules for occupational pensions in the private sector and changes in the rules for paid-up policies.

On 8 March 2013, Finanstilsynet introduced new requirements concerning how rising life expectancy should be taken into account when calculating commitments under group pension insurance schemes. The requirements resulted in a total required increase in reserves for DNB Livsforsikring of approximately NOK 14.4 billion, of which NOK 3.8 billion had been set aside as at 31 December 2012. In the first quarter of 2013, it was proposed to further strengthen the reserves by NOK 414 million. Finanstilsynet has decided that the increase in reserves must be completed by year-end 2018. As from 2014, DNB, as the company's owner, will have to provide 20 per cent of the required increase in reserves, while the remainder can be covered by future interest and risk results. The Solvency II rules are yet to be finalised, especially with respect to their implementation in Norwegian legislation, and there is reason to believe that the framework will be implemented as from 1 January 2016 at the earliest.

The Banking Law Commission's proposal for a new Occupational Pension Act implies a harmonisation with retirement pensions in the new National Insurance Scheme. A key element of the Act is a new occupational pension product which is based on elements from both defined contribution and defined benefit pensions. DNB expects the new occupational pension product to be attractive mainly for companies which currently have defined-benefit pension schemes.

A prolonged low interest rate level will put pressure on life insurance companies' earnings over the coming period. Both the regulatory framework and customer preferences will result in a move from guaranteed return products to products with investment choice. DNB Livsforsikring has started to adapt operations by selling less capital-intensive products and implementing an extensive cost savings programme which will be completed in the course of 2014.

DNB Asset Management

DNB Asset Management recorded pre-tax operating profits of NOK 46 million, up NOK 5 million from the first quarter of 2012. The rise in profits mainly reflected a lower cost level due to measures initiated in the second half of 2012.

DNB Asset Management	1st quarter		Change	
Income statement in NOK million	2013	2012	NOK mill	%
Net interest income	(2)	(5)	3	(64,1)
Commission income				
- from retail customers	68	73	(4)	(6,1)
- from institutional clients	120	125	(6)	(4,5)
Other operating income	3	3	1	23,2
Total income	190	196	(6)	(3,2)
Operating expenses	143	154	(11)	(7,0)
Pre-tax operating profit	46	42	5	11,0
Balances in NOK billion (end of period)				
Asset under management	456.3	483.8	(27.5)	(5.7)
- retail customers	37.5	36.0	1.4	4.0
- institutional clients	418.9	447.8	(28.9)	(6.5)
Key figures in per cent				
Return on allocated capital [1)]	22.3	20.1		
Cost/income ratio	75.5	78.6		
Number of full-time positions, end of period	198	212	(14)	(6,5)

1) Calculated on the basis of capital allocated to operations.

Assets under management declined by a total of NOK 27.5 billion from end-March 2012. The reduction primarily referred to portfolios with low margins. Market developments over the past 12-month period gave a NOK 24 billion rise in assets under management, while exchange rate movements caused a NOK 4 billion increase. Developments in net sales resulted in a NOK 55 billion reduction in assets under management.

DNB Asset Management is one of Norway's leading providers of mutual funds and discretionary asset management and has a market share of 21 per cent of the total mutual fund market in Norway. At end-March 2013, the company had approximately 226 000 mutual fund savings schemes in the Norwegian market, with annual subscriptions of around NOK 2.5 billion. 42 per cent of the mutual funds had received four or five stars from the rating company Morningstar. Eight of the funds had achieved the highest ranking, with five stars.

DNB Asset Management expects an increase in private financial savings in both Norway and Sweden. Competition for savings will necessitate the continued development and adaptation of products and services. The expectations of investors regarding developments in financial markets, together with investor confidence in the stock market, will strongly influence the area's profit performance.

DNB Skadeforsikring

DNB Skadeforsikring offers non-life insurance products such as home insurance, car insurance and travel insurance to the Norwegian retail customer market. Products are sold mainly through the bank's distribution network, and special initiatives in the large cities have produced good results. DNB Skadeforsikring is still in an expansion phase, and total premium income, the number of policyholders and profits all showed a strong trend. Pre-tax operating profits totalled NOK 39 million, compared with a NOK 12 million operating loss in the first quarter of 2012.

Funding, liquidity and balance sheet

Throughout the first quarter, the funding markets were generally sound and prices fairly stable for banks with strong credit ratings. At the start of the quarter, it was possible for Southern European banks to issue ordinary senior bonds at better terms than for many years. In consequence of the turmoil in Cyprus, investors were more hesitant towards the end of the quarter, and there was a certain increase in prices in the funding markets for these banks. Consequently, the relative position of the Nordic banks was strengthened.

Overall, European banks and financial institutions have a reduced need for funding in 2013, which resulted in fewer new bond issues and a lower price level compared with the situation in 2012. DNB continued to be among the financially strong banks in the funding markets and had ample access to both short and long-term funding throughout the quarter.

The average remaining term to maturity for the long-term funding portfolio was 4.6 years at end-March 2013, unchanged from end-December 2012.

In order to keep the Group's liquidity risk at a low level, short-term and long-term liquidity risk limits have been established. Among other things, this implies that the majority of loans are financed through customer deposits, long-term securities and primary capital. The Group stayed well within the liquidity limits during the first quarter of 2013.

At end-March 2013, total combined assets in the DNB Group were NOK 2 653 billion, an increase of NOK 18 billion or 0.7 per cent from the previous year. Total assets in the Group's balance sheet were NOK 2 434 billion as at 31 March 2013 and NOK 2 371 billion a year earlier. Total assets in DNB Livsforsikring were NOK 283 billion and NOK 267 billion, respectively, on the same dates.

Net loans to customers increased by NOK 30.6 billion or 2.4 per cent from end-March 2012. Customer deposits increased by NOK 83.1 billion or 10.3 per cent during the same period. The ratio of customer deposits to net loans to customers increased from 62.7 per cent at end-March 2012 to 67.6 per cent at end-March 2013. The Group's target is a ratio of minimum 60 per cent.

Risk and capital adequacy

DNB's risk situation was relatively stable during the first quarter of 2013. The financial markets showed a positive development, with a rise in equity prices and declining risk premiums. However, the real economy still showed a weak trend, and developments in the eurozone represent a major element of uncertainty in the period ahead. The low-interest rate period looks set to prevail both internationally and in Norway.

The corporate reputation of DNB came under pressure during the quarter due to DNB's interest rate increases, the ruling of the Norwegian Supreme Court in the case on certain debt-financed structured products and operational problems in DNB's Internet bank.

The DNB Group quantifies risk by measuring risk-adjusted capital requirements. The net risk-adjusted capital requirement increased by NOK 0.7 billion from year-end 2012, to NOK 77.7 billion.

Developments in the risk-adjusted capital requirement [1)]

Amounts in NOK billion	31 March 2013	31 Dec. 2012	31 March 2012	31 Dec. 2011
Credit risk	58.9	59.2	61.1	64.5
Market risk	8.2	7.9	6.4	6.1
Market risk in life insurance	11.2	10.6	11.9	10.6
Insurance risk in life insurance	1.0	1.0	1.0	1.0
Non-life insurance	0.8	0.8	0.7	0.8
Operational risk	10.3	9.8	9.0	9.0
Business risk	4.8	4.6	4.4	4.7
Gross risk-adjusted capital requirement	95.2	94.0	94.4	96.8
Diversification effect [1)]	(17.5)	(17.0)	(16.7)	(16.0)
Net risk-adjusted capital requirement	77.7	77.0	77.8	80.9
Diversification effect in per cent of gross risk-adjusted capital requirement [1)]	18.4	18.1	17.7	16.5

1) *The diversification effect refers to the risk-mitigating effect achieved by the Group by having operations which are affected by different types of risk where unexpected losses are unlikely to occur at the same time.*

The risk-adjusted capital requirement for credit declined by NOK 0.3 billion during the first quarter. Volumes were virtually unchanged from year-end 2012, while there was a slight improvement in credit quality in some areas. The situation in the shipping markets remained challenging, especially in the tanker, dry bulk and container segments. Overall, impairment losses on loans were at a relatively low level.

There was a slight increase in market risk in life insurance during the first quarter. This was partly attributable to an increase in equity exposure. In addition, Finanstilsynet has presented requirements regarding how rising life expectancy should be taken into account through an escalation plan for provisions for group pension insurance. The new rules will result in a required increase in reserves in DNB Livsforsikring, which will also increase the need for risk-adjusted capital. At end-March 2013, long-term Norwegian swap rates, which serve as a reference for expected future returns, were just below the guaranteed rate of return for policyholders. In the longer term, this will limit DNB Livsforsikring's ability to assume risk to ensure a healthy return for policyholders.

Due to a certain increase in equity exposure, there was a rise in market risk in operations other than life insurance during the quarter.

There was a reduction in the number of reported events which affect the Group's operational risk. The net loss was on a level with previous quarters. The quarter was nevertheless affected by the Supreme Court judgment in the case regarding certain debt-financed structured products, which resulted in a review of corresponding cases.

The operational stability of the Group's Internet banks was not satisfactory during the quarter. The Group and its customers were hit by a number of serious network problems, which also affected other banks. The negative trend within ICT crime in the form of Trojan attacks, hacking and industrial espionage continued throughout the quarter, though the financial consequences were less serious in the first quarter of 2013 than in the fourth quarter of 2012.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement increased by NOK 18.7 billion in the January through March period in 2013, to NOK 1 094 billion. In the first quarter of 2013, risk-weighted volume could not be less than 80 per cent of the corresponding figure calculated according to the Basel I regulations. The common equity Tier 1 capital ratio was 10.6 per cent, while the capital adequacy ratio was 12.1 per cent, both including 50 per cent of interim profits.

Calculations have been made of full future implementation of the Basel II rules for all of the banking group's credit portfolios, excluding those in the Baltics and Poland, disregarding the limitations ensuing from the transitional rules. The calculations showed a pro forma risk-weighted volume of NOK 967 billion and a potential common equity Tier 1 capital ratio of 12.0 per cent. Under Basel III, based on the Group's interpretation of the draft regulations, the common equity Tier 1 capital ratio would have been 12.1 per cent at end-March 2013.

Macroeconomic developments

The eurozone's GDP fell throughout 2012, and the weak trend continued in the first quarter of 2013. Unemployment numbers have risen every month since April 2011, by a monthly average of 160 000. Some 12 per cent of the eurozone's labour force were without a job in February 2013, the highest unemployment rate since the Second World War. At 5 to 6 per cent, Germany, Austria and the Netherlands had relatively low unemployment, while the figures for Greece and Spain were over 26 per cent. In these two countries, youth unemployment is nearing 60 per cent. Unemployment rates have probably not peaked quite yet. Rough estimates indicate that the eurozone needs a GDP growth of 1.5-1.75 per cent to maintain a steady rate of unemployment. The latest consensus estimate is minus 0.4 per cent in 2013 and plus 0.9 per cent in 2014, meaning that the unemployment rate could be nearing 13 per cent towards the end of 2014. Rising unemployment can be self-perpetuating, as it contributes to keeping down household consumption and thus also the level of activity.

Attempts are made to counteract the negative effects of lower demand and strict fiscal policies on activity levels through near-zero key interest rates and an expansive liquidity policy. Interest rates on loans to Europe's most heavily-indebted countries have been significantly reduced since the summer of 2012, indicating less fear of certain countries leaving the monetary union. However, the high and increasing unemployment rates have caused greater social differences, contributing to more uncertainty.

The US had an annualised GDP growth rate of just 0.4 per cent in the fourth quarter of 2012, while developments thus far in 2013 are mixed. February saw a marked rise in income and consumption, and healthy company earnings point towards increased business investments in the time ahead. Following positive labour market developments in January and February, the figures for March were disappointing. According to updated figures, a mere 63.3 per cent of the working-age population constitutes an active part of the labour force, which is a 40-year low. The US economy slowed down in March, but the improved housing market, the large profits of US companies and low household debt-servicing costs give reason for optimism.

The entire OECD area is marked by high saving levels and reductions in private and public debt, which will hamper growth for years to come. In many emerging economies, developments have been markedly weaker in the past few quarters. The picture is mixed among the so-called BRICS countries. Growth has increased somewhat in China in the last few quarters, but annual growth of just under 8 per cent is still markedly lower than the 10 per cent average growth rate between 1980 and 2008. As for India, Brazil, Russia and South Africa, growth has been halved compared to the average of the decade preceding the financial crisis. Altogether, Norway's main trading partners are unlikely to reach their cyclical low point before 2015.

In Norway's various industries, activity levels are closely linked to demand. Norwegian export industries have competed for shares of markets that on the whole have stagnated. Traditional exports have therefore not increased much. Mainland industry investment growth has also been weak, whereas there has been a sharp increase in the petroleum industry and in housing investments. With solid growth in January and February, the trend growth in retail sales rose to an impressive annual rate of 4 per cent. Total employment rose markedly through 2012, up until September, but has fallen slightly since then. Over the past few months, unemployment levels have been somewhat higher than in the autumn of 2012, but still low. Activity levels in the manufacturing industry remained high at the start of 2013, boosted by the high level of activity in the petroleum industry. There is a clear two-tier development in the manufacturing industry, with strong growth in production targeting the petroleum industry and declining growth in many other manufacturing industry segments. So far, the wage settlement points towards total annual wage growth of approximately 3.5 per cent, which is significantly lower than the two previous years' growth rates of 4.2 and 4.0 per cent.

Housing prices continued to rise in the first quarter of 2013. A growing population, moderate housebuilding activity, stable and low unemployment and interest rate levels that are expected to stay low are factors that point towards continued stable housing price growth. Stricter capital requirements for banks in relation to home mortgages, increased housebuilding activity and relatively high price levels are, however, factors that could contribute somewhat slower growth in the time ahead.

New regulatory framework

During the first quarter of 2013, political agreement was reached in the EU on new regulations for credit institutions and investment firms, the Capital Requirements Regulation and the Capital Requirements Directive (CRR and CRD IV). The regulations are based on the Basel Committee's recommendations on new and stricter capital and liquidity standards, Basel III. The EU compromise implies that national authorities are given a relatively high level of flexibility to introduce additional capital requirements on top of the minimum requirements. Among other things, a systemic risk buffer may be introduced, and special requirements may be imposed on systemically important institutions. National systemic risk premiums on risk weights on mortgage loans, as wished by the Norwegian authorities, may be introduced. However, this will not be fully applicable to the branches of international banks, unless agreement is reached to introduce a principle on the mutual recognition of capital requirements between individual countries.

In March 2013, the Norwegian Ministry of Finance invited interested parties to submit comments on four different proposals regarding minimum requirements for the weighting of home mortgages in capital adequacy calculations. The proposals imply a weighting of between 20 and 35 per cent, which is a significant increase from DNB's current average risk weight of 12.1 per cent. Each of the four proposals is designed to potentially replace current rules to ensure that the total capital adequacy requirements are not impaired if the current floor of 80 per cent of risk-weighted volume according to Basel I (the Basel II transitional rule) is removed.

In addition, the Ministry of Finance has presented a legislative proposal regarding the introduction of new capital requirements for banks in connection with the implementation of the Basel III rules in Norway. DNB's best estimate for common equity Tier 1 capital according to Basel III is 12.1 per cent as at 31 March 2013. On the same date, DNB had a common equity Tier 1 capital ratio of 10.6 per cent according to the current transitional rules, which the Norwegian authorities use in their calculations. The legislative proposal implies that the common equity Tier 1 capital requirement will be gradually increased to 12 per cent up until 1 July 2016. In addition, the Ministry has proposed statutory authority to introduce a counter-cyclical capital buffer requirement of up to 2.5 per cent. In a memorandum, Norges Bank has stated that such a buffer should be determined on the basis of total credit, housing prices relative to income, commercial property prices and the share of wholesale funding in Norwegian credit institutions, in addition on professional discretion. In addition, the central bank states that the size of a possible counter-cyclical buffer must be viewed in the light of other capital requirements applying to banks.

DNB is well-positioned to meet the capital adequacy requirements, and it is positive that the requirements are introduced gradually. However, the proposals imply that DNB will still have to build up considerable capital in line with the adaptations which have thus far been made by the Group to meet the new regulatory requirements. Capital will be built up organically through operations.

Towards the end of 2012, the Ministry of Finance asked Finanstilsynet to assess whether the covered bonds scheme contributes to increasing systemic risk. Among other things, the Ministry would like Finanstilsynet to consider a rule whereby banks will not be allowed to transfer more assets to their mortgage institutions than what is considered prudent. In its response, Finanstilsynet concluded that no such general rule should be introduced, and that it will be most appropriate to consider each financial services group individually within existing statutory authorities. Finanstilsynet emphasises that covered bonds have become an important source of funding for Norwegian banks, contributing to lower funding costs, reduced liquidity risk and a more diversified funding structure. The Ministry of Finance has not yet considered these suggestions.

Over the past 20 years, there has been a significant increase in life expectancy in the Norwegian population. This development has taken place parallel to a prolonged international recession, where low interest rates have resulted in low returns on policyholders' premium payments. Life insurance companies thus have to set aside more capital to cover future pension commitments. In March 2013, Finanstilsynet decided to introduce new mortality assumptions for group pension insurance with effect from 2014. The new mortality table will require a significant strengthening of life insurance companies' technical insurance reserves. Finanstilsynet will allow a five-year escalation period starting in 2014. It will be possible to use policyholder surplus, but at least 20 per cent of the required increase in reserves is expected to be covered by an increase in shareholder contributions. Finanstilsynet has used Statistics Norway's medium alternative for life expectancy projections as a basis, but added a 10 per cent safety margin. For customers, the requirements from Finanstilsynet will result in higher premiums for retirement pensions and lower expected returns because a larger share of the funds must be retained as capital buffers. According to Finance Norway, preliminary estimates show a total required increase in reserves for the industry of NOK 45-50 billion. The new calculation base will result in a total required increase in reserves for DNB Livsforsikring of approximately NOK 14.4 billion, of which NOK 3.8 billion had been set aside as at 31 December 2012. Finanstilsynet's requirements appear to be strict and will have consequences for both policyholders and DNB Livsforsikring over the coming years. The industry is in dialogue with Finanstilsynet and the Ministry of Finance through Finance Norway in an attempt to have the requirements adjusted.

DNB is working to be ready to meet the new requirements in the various areas, while emphasising the strong need for international harmonisation of the rules. Up until the final regulations are in place, the Group's activities will be gradually adapted to the new requirements.

Future prospects

In spite of a relatively strong financial market trend in the first quarter, it appears that it will take some time before Norway's main trading partners experience an economic recovery. Forecasts for the Norwegian economy were also adjusted somewhat downwards during the quarter, but remain very positive compared with most other countries. Thus, DNB maintains its forecasts and targets presented at the Group's Capital Markets Day event in 2012. The interest rate increases implemented during the first quarter will give a rise in interest income from the second quarter and contribute to higher future returns and to the build-up of capital. The restructuring of the Group's operations into new business areas, which was implemented at the start of the year, will also contribute to more targeted and improved customer initiatives, improved income potential and reduced nominal costs. Annual lending growth is expected to be between 3 and 4 per cent. Mark-to-market adjustments, for example of basis swaps, may still have significant short-term effects on other operating income. However, these effects will be balanced out over time and will thus have no impact on the long-term profit trend. Cost-efficiency measures will continue to be implemented through the streamlining of the distribution network, other internal cost efficiency programmes and the sale of international operations. As previously assumed, in order to achieve permanent cost savings, there will be a temporary increase in costs over the next few quarters in the form of restructuring expenses. Impairment losses on loans in 2013 are expected to be on a level with 2012.

Oslo, 25 April 2013
The Board of Directors of DNB ASA

Anne Carine Tanum
(chairman)

Tore Olaf Rimmereid
(vice-chairman)

Jarle Bergo

Bente Brevik

Sverre Finstad

Carl A. Løvvik

Vigdis Mathisen

Berit Svendsen

Rune Bjerke
(group chief executive)

Income statement

Amounts in NOK million	Note	1st quarter 2013	1st quarter 2012 1)	Full year 2012 1)
				DNB Group
Total interest income	5	14 600	16 060	63 068
Total interest expenses	5	7 743	9 407	35 853
Net interest income	5	**6 857**	**6 653**	**27 216**
Commission and fee income etc.	6	2 249	2 274	9 299
Commission and fee expenses etc.	6	555	607	2 337
Net gains on financial instruments at fair value	7	1 063	(1 006)	3 910
Net gains on assets in DNB Livsforsikring		3 925	4 562	14 219
Guaranteed returns, strengthened premium reserve and allocations to policyholders in DNB Livsforsikring		3 731	4 157	13 187
Premium income etc. included in the risk result in DNB Livsforsikring		524	1 330	5 102
Insurance claims etc. included in the risk result in DNB Livsforsikring		498	1 442	5 421
Premium income, DNB Skadeforsikring		331	303	1 250
Insurance claims etc., DNB Skadeforsikring		256	254	925
Profit from companies accounted for by the equity method	8	74	225	789
Net gains on investment property	19	12	(144)	(340)
Other income	9	543	522	2 141
Net other operating income		**3 682**	**1 607**	**14 501**
Total income		**10 539**	**8 261**	**41 717**
Salaries and other personnel expenses	10, 11	2 639	2 721	10 987
Other expenses	10	2 316	1 907	7 451
Depreciation and impairment of fixed and intangible assets	10	529	430	2 322
Total operating expenses	10	**5 485**	**5 058**	**20 760**
Net gains on fixed and intangible assets		4	7	(1)
Impairment of loans and guarantees	15	737	784	3 179
Pre-tax operating profit		**4 321**	**2 425**	**17 776**
Taxes		1 149	631	4 081
Profit from operations held for sale, after taxes		10	0	96
Profit for the period		**3 181**	**1 794**	**13 792**
Earnings/diluted earnings per share (NOK)		1.96	1.10	8.48
Earnings per share excluding operations held for sale (NOK)		1.95	1.10	8.42

1) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.

Comprehensive income statement

Amounts in NOK million	1st quarter 2013	1st quarter 2012 1)	Full year 2012 1)
			DNB Group
Profit for the period	**3 181**	**1 794**	**13 792**
Actuarial gains and losses	0	(47)	4 063
Tax on actuarial gains and losses	0	13	(1 116)
Property revaluation	(3)	0	45
Elements of other comprehensive income allocated to customers (life insurance)	3	0	(45)
Other comprehensive income that will not be reclassified to profit or loss, net of tax	0	(34)	2 947
Currency translation of foreign operations	122	(129)	(210)
Other comprehensive income that may subsequently be reclassified to profit or loss, net of tax	122	(129)	(210)
Other comprehensive income for the period	**122**	**(163)**	**2 736**
Comprehensive income for the period	**3 304**	**1 631**	**16 528**

1) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.

Balance sheet

Amounts in NOK million	Note	DNB Group 31 March 2013	31 Dec. 2012 [1]	31 March 2012 [1]
Assets				
Cash and deposits with central banks		397 835	298 892	433 396
Due from credit institutions	12, 13, 14	65 459	37 136	35 018
Loans to customers	12, 13, 14, 15, 16	1 315 104	1 297 892	1 284 526
Commercial paper and bonds at fair value	13	239 527	224 750	199 431
Shareholdings	13	56 906	48 288	53 024
Financial assets, customers bearing the risk	13	30 059	28 269	25 770
Financial derivatives	13, 14	94 509	96 584	81 555
Commercial paper and bonds, held to maturity	12, 18	155 362	157 330	168 644
Investment property	19	33 761	39 496	43 049
Investments in associated companies		2 962	2 882	2 407
Intangible assets	20	6 774	6 718	7 020
Deferred tax assets		1 276	1 123	640
Fixed assets		11 006	10 825	6 569
Assets held for sale		150	417	1 092
Other assets		23 124	14 200	28 671
Total assets		**2 433 815**	**2 264 801**	**2 370 813**
Liabilities and equity				
Due to credit institutions	12, 13, 14	336 528	251 388	353 395
Deposits from customers	12, 13, 14	889 043	810 959	805 985
Financial derivatives	13, 14	64 615	63 274	56 039
Debt securities issued	12, 13, 21	689 923	708 047	717 598
Insurance liabilities, customers bearing the risk		30 059	28 269	25 770
Liabilities to life insurance policyholders in DNB Livsforsikring		226 367	221 185	218 093
Insurance liabilities, DNB Skadeforsikring		2 116	1 780	1 945
Payable taxes		8 232	6 831	356
Deferred taxes		1 280	1 284	3 445
Other liabilities		30 871	18 451	34 342
Liabilities held for sale		30	76	361
Provisions		1 280	770	525
Pension commitments		4 055	3 904	8 045
Subordinated loan capital	12, 13, 21	18 610	21 090	29 021
Total liabilities		**2 303 008**	**2 137 309**	**2 254 920**
Share capital		16 270	16 269	16 275
Share premium reserve		22 609	22 609	22 609
Other equity		91 929	88 614	77 009
Total equity		**130 807**	**127 492**	**115 893**
Total liabilities and equity		**2 433 815**	**2 264 801**	**2 370 813**
Off-balance sheet transactions, contingencies and post-balance sheet events	25			

1) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*

Statement of changes in equity

DNB Group

Amounts in NOK million	Share capital [1]	Share premium reserve	Actuarial gains and losses	Other equity [1]	Total equity [1]
Balance sheet as at 31 December 2011	**16 260**	**22 609**		**78 946**	**117 815**
Implementation of the amended IAS 19 - Employee Benefits [2]			(3 625)		(3 625)
Balance sheet as at 1 January 2012	**16 260**	**22 609**	**(3 625)**	**78 946**	**114 190**
Profit for the period			(34)	1 794	1 760
Currency translation of foreign operations				(129)	(129)
Comprehensive income for the period	0	0	(34)	1 664	1 631
Net purchase of treasury shares	16			57	72
Balance sheet as at 31 March 2012, restated	**16 275**	**22 609**	**(3 659)**	**80 667**	**115 893**
Balance sheet as at 31 December 2012	**16 269**	**22 609**		**89 158**	**128 035**
Implementation of the amended IAS 19 - Employee Benefits [2]			(678)	135	(543)
Balance sheet as at 31 December 2012, restated	**16 269**	**22 609**	**(678)**	**89 293**	**127 492**
Profit for the period				3 181	3 181
Revaluation of property				(3)	(3)
OCI allocated to customers (life insurance)				3	3
Currency translation of foreign operations			(3)	125	122
Comprehensive income for the period	0	0	(3)	3 306	3 304
Net purchase of treasury shares	1			11	12
Balance sheet as at 31 March 2013	**16 270**	**22 609**	**(681)**	**92 609**	**130 807**
Of which currency translation reserve:					
Balance sheet as at 1 January 2012				(565)	(565)
Comprehensive income for the period				(129)	(129)
Accumulated currency translation reserve in Pres-Vac				2	2
Balance sheet as at 31 March 2012, restated			0	(693)	(693)
Balance sheet as at 31 December 2012, restated			0	(774)	(774)
Comprehensive income for the period			(3)	125	122
Accumulated currency translation reserve SalusAnsvar taken to income (company sold)				(6)	(6)
Change of reporting currency DNB Invest Denmark				7	7
Balance sheet as at 31 March 2013			(3)	(647)	(650)
1) Of which treasury shares, held by DNB Markets for trading purposes:					
Balance sheet as at 31 December 2012	*(19)*			*(118)*	*(137)*
Net purchase of treasury shares	*1*			*11*	*12*
Reversal of fair value adjustments through profit and loss				*(31)*	*(31)*
Balance sheet as at 31 March 2013	*(18)*			*(138)*	*(156)*

2) See note 1 Accounting principles.

Cash flow statement

Amounts in NOK million	DNB Group 1st quarter 2013	1st quarter 2012	Full year 2012
Operating activities			
Net payments on loans to customers	(6 415)	(18 594)	(40 656)
Interest received from customers	12 375	14 026	56 429
Net receipts on deposits from customers	68 345	70 017	81 967
Interest paid to customers	(1 539)	(2 204)	(18 842)
Net receipts/payments on loans to/from credit institutions	67 236	65 119	(35 561)
Interest received from credit institutions	209	338	1 391
Interest paid to credit institutions	(556)	(698)	(3 166)
Net payments on the sale of financial assets for investment or trading	(20 097)	(11 527)	(10 775)
Interest received on bonds and commercial paper	1 053	745	4 069
Net receipts on commissions and fees	1 741	1 685	6 983
Payments to operations	(4 229)	(4 722)	(18 213)
Taxes received/paid	111	(460)	(542)
Receipts on premiums	7 048	6 242	18 503
Net payments on premium reserve transfers	(1 540)	(811)	(987)
Payments of insurance settlements	(3 630)	(3 773)	(14 640)
Other receipts/payments	9 052	2 903	(863)
Net cash flow from operating activities	**129 163**	**118 288**	**25 097**
Investment activities			
Net payments on the acquisition of fixed assets	(661)	(664)	(6 984)
Net receipts/payments, investment property	842	(185)	(399)
Receipts on the sale of long-term investments in shares	436	0	0
Dividends received on long-term investments in shares	0	3	97
Net cash flow from investment activities	**617**	**(845)**	**(7 286)**
Funding activities			
Receipts on issued bonds and commercial paper	217 419	337 354	941 280
Payments on redeemed bonds and commercial paper	(241 835)	(245 263)	(861 109)
Interest payments on issued bonds and commercial paper	(4 005)	(4 178)	(12 726)
Receipts on the raising of subordinated loan capital	0	5 702	5 525
Redemptions of subordinated loan capital	(2 259)	(85)	(8 082)
Interest payments on subordinated loan capital	(353)	(123)	(1 028)
Dividend payments	0	0	(3 258)
Net cash flow from funding activities	**(31 033)**	**93 406**	**60 603**
Effects of exchange rate changes on cash and cash equivalents	**11 514**	**(3 149)**	**(3 468)**
Net cash flow	**110 262**	**207 699**	**74 946**
Cash as at 1 January	304 247	229 301	229 301
Net receipts of cash	110 262	207 699	74 946
Cash at end of period *)	414 509	437 001	304 247
**) Of which: Cash and deposits with central banks*	*397 835*	*433 396*	*298 892*
Deposits with credit institutions with no agreed period of notice 1)	*16 673*	*3 605*	*5 355*

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

The cash flow statement shows receipts and payments of cash and cash equivalents during the period. The statement has been prepared in accordance with the direct method. Cash flows are classified as operating activities, investment activities or funding activities. Balance sheet items are adjusted for the effects of exchange rate movements. Cash is defined as cash and deposits with central banks, and deposits with credit institutions with no agreed period of notice.

Note 1 Accounting principles

The first quarter accounts 2013 have been prepared according to IAS 34 Interim Financial Reporting. A description of the accounting principles applied by the Group is found in the annual report for 2012. The annual and interim accounts for the Group are prepared according to IFRS principles as endorsed by the EU.

New or amended accounting standards or interpretations that entered into force during the first quarter of 2013 are described below. The Group used the new rules as of 1 January 2013.

Amendments to IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities
Note information is required to enable users of the accounts to assess the effects or the potential effects the offsetting of financial assets and liabilities will have on the company's financial position. The disclosure requirements apply to financial instruments offset in accordance with IAS 32 and financial instruments for which agreements on conditional rights of offset have been entered into. See note 14 Offsetting for information based on the new requirements in IFRS 7.

IFRS 13 Fair Value Measurement
The standard includes principles and guidance for fair value measurement of assets and liabilities when other IFRSs require or permit fair value measurements. The standard does not change what is required or permitted to be measured at fair value. IFRS 13 applies both at initial recognition and in subsequent measurements. IFRS 13 will require more detailed note information in both quarterly and annual accounts. The new rules will have no material impact on the Group's profit and loss or balance sheet, but will have an impact on the note information presented in the quarterly and annual accounts. See note 12 Fair value of financial instruments at amortised cost and note 13 Financial instruments at fair value.

Amendments to IAS 1 – Presentation of Financial Statements
The amendments to IAS 1 entailes that items of income and expense recognised in other comprehensive income are grouped together based on whether or not they can be reclassified to the profit or loss section of the income statement on a future date. The amendments will only affect the presentation in other comprehensive income.

Amendments to IAS 19 – Employee Benefits
Comparable figures in the report for the first quarter of 2013 have been restated based on the amendments to IAS 19 which entered into force on 1 January 2013. The Group started using the revised standard as of 1 January 2013, with retrospective application as from 1 January 2012 for comparison purposes. The amendments will affect the recognition and presentation of the Group's defined benefit pension schemes.

Among other things, the corridor approach for recognising actuarial gains and losses is removed. Actuarial gains and losses should now be recognised in other comprehensive income in the period in which they occur. In consequence of this, the best estimate of pension commitments will be shown in the balance sheet. According to the standard, when calculating pension costs, the discount rate shall be used on net pension commitments instead of using the expected return on pension funds. Seen in isolation, this amendment will result in higher pension costs in the income statement.

At year-end 2012, actuarial gains and losses totalling NOK 543 million after tax were recognised in the accounts. The amount was recognised in the Group's equity on 1 January 2013. The tables below show comparable figures for 2012, with implementation effect on 1 January 2012.

Income statement **DNB Group**

	Change				First quarter 2012			Full year 2012		
Amounts in NOK million	1st quarter 2012	2nd quarter 2012	3rd quarter 2012	4th quarter 2012	Reported	Effect IAS 19	Restated	Reported	Effect IAS 19	Restated
Salaries and other personnel expenses, reduction [1)]	47	47	47	47	2 768	47	2 721	11 174	187	10 987
Taxes, increase	13	13	13	13	618	13	631	4 028	52	4 081
Profit for the period, increase	34	34	34	34	1 760	34	1 794	13 657	135	13 792
Earnings per share (NOK)	0.02	0.02	0.02	0.02	1.08	0.02	1.10	8.39	0.08	8.48
Earnings per share excl. operations held for sale (NOK)	0.02	0.02	0.02	0.02	1.08	0.02	1.10	8.33	0.08	8.42

Comprehensive income statement **DNB Group**

	Change				First quarter 2012			Full year 2012		
Amounts in NOK million	1st quarter 2012	2nd quarter 2012	3rd quarter 2012	4th quarter 2012	Reported	Effect IAS 19	Restated	Reported	Effect IAS 19	Restated
Other comprehensive income for the period	(34)	(34)	(34)	3 048	(129)	(34)	(163)	(210)	2 947	2 736

Balance sheet **DNB Group**

	31 December 2012			31 March 2012			1 January 2012		
Amounts in NOK million	Reported	Effect IAS 19	Restated	Reported	Effect IAS 19	Restated	31 Dec. 2011 Reported	Effect IAS 19	Restated
Pension commitments	3 228	676	3 904	3 149	4 896	8 045	3 123	4 896	8 019
Pension assets	130	(109)	21	170	(139)	31	170	139	31
Deffered taxes	1 461	(177)	1 284	4 856	(1 410)	3 445	4 897	(1 410)	3 487
Deffered tax assets	1 058	65	1 123	640	0	640	643	0	643

Equity **DNB Group**

	31 December 2012			31 March 2012			1 January 2012		
Amounts in NOK million	Reported	Effect IAS 19	Restated	Reported	Effect IAS 19	Restated	31 Dec. 2011 Reported	Effect IAS 19	Restated
Total equity [2)]	128 035	(543)	127 492	119 518	(3 625)	115 893	117 815	(3 625)	114 190

1) *According to the amended IAS 19, actuarial gains and losses which were previously recorded as pension costs should be recognised in other comprehensive income.*
2) *Transitional effects resulting from amendments to IAS 19 changed significantly from year-end 2011 to year-end 2012, mainly due to the adjustment of the discount rate.*

Note 2 Important accounting estimates and discretionary assessments

When preparing the consolidated accounts, management makes estimates and discretionary assessments and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets, liabilities, income and expenses. A more detailed description of important estimates and assumptions is presented in note 1 Important accounting estimates and discretionary assessments in the annual report for 2012.

Note 3 Changes in group structure

SalusAnsvar
During the third quarter of 2012, an agreement was entered into on the sale of the wholly-owned subsidiary SalusAnsvar AB from DNB Bank ASA to the insurance company Folksam Sak AB for a total of approximately SEK 480 million. SalusAnsvar primarily offers non-life insurance and personal insurance in the Swedish market. The transaction was approved by the supervisory authorities during the fourth quarter of 2012, and the operations were classified as held for sale in the group accounts as at 31 December 2012. The transaction was completed in the first quarter of 2013.

Godfjellet AS/Nye Notabene AS
The bookshop chain Notabene presented a winding-up petition in January 2013, whereafter Nye Notabene AS took over most of the assets. The company is 100 per cent owned by Godfjellet AS, which in turn is 100 per cent owned by DNB Bank ASA. The assets were taken over for a total of approximately NOK 70 million.

The bank's strategy is to sell these operations as soon as possible within a 12-month period from the takeover date. The operations were classified as held for sale in the group accounts as at 31 March 2013. In the accounts, DNB's net holding will be recorded at the lower of the balance sheet value and fair value less costs to sell. The takeover took place quite recently, and the bank sees no need to change the values from the time of the takeover. The company assets recorded in the balance sheet mainly comprise inventory.

Note 4 Segments

Business areas

DNB's business areas are independent profit centres and have responsibility for serving all of the Group's customers and for the total range of products. The operational structure of DNB includes four business areas and four staff and support units. The business areas comprised Retail Banking, Large Corporates and International, DNB Markets and Insurance and Asset Management. Operations in Baltics and Poland were previously reported as a separate profit centre, but were integrated in the Large Corporates and International business area with effect from the first quarter of 2013.

Retail Banking	-	offers a broad range of financial products and services through a wide distribution network. In cooperation with several of the Group's product areas, customers are offered various financing and leasing, deposit and investment alternatives, insurance, as well as real estate broking and financial advisory services. In addition, extensive everyday banking services are provided through the internet bank, mobile banking, SMS services, branch offices, in-store banking outlets, in-store postal outlets and Norway Post. The ordinary home mortgage operations of DNB Boligkreditt AS are integrated in Retail Banking, while the company's debt capital funding is shown under the Group Centre.
Large Corporates and International	-	offers a broad range of financial products and services to large Norwegian and international customers in cooperation with several of the Group's product areas, including various types of financing solutions, deposits and investments, insurance, e-commerce products, commercial property brokerage, foreign currency, interest rate products, trade finance and corporate finance services. Operations in Baltics and Poland were integrated in the business area with effect from the first quarter of 2013.
DNB Markets	-	is the Group's investment bank with the key products foreign exchange, interest rate and commodity products, securities and other investment products, debt and equity financing in capital markets, research and advisory services, as well as custodial and other securities services.
Insurance and Asset Management	-	is responsible for life insurance, non-life insurance, pension savings and asset management. DNB Livsforsikring is shown as a separate reporting segment under Insurance and Asset Management.

The income statement and balance sheet for the business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DNB Group into business areas, as reported to group management (highest decision-making body) for an assessment of current developments and the allocation of resources. Figures for the business areas are based on DNB's management model and the Group's accounting principles. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between business areas and are based on a number of assumptions, estimates and discretionary distributions. Internal transfer rates used between the business areas are determined based on observable market rates, e.g. NIBOR. Additional costs relating to the Group's long-term funding are charged to the business areas. Profits from repossessed operations which are fully consolidated in the DNB Group are presented net under ”Profit from repossessed operations” in the company's internal reporting of business areas. The acquired companies are included in the Group Centre.

With effect from 2013, DNB has changed the principles for the allocation of capital to operations. Capital allocated to the business areas is calculated on the basis of the Group's total Tier 1 capital and long-term capitalisation ambition. There are special capital adequacy regulations for insurance operations, and in these companies, allocated capital corresponds to recorded equity. For other group operations, the allocation of capital to all units is based on the Group's adaptation to Basel II, full IRB, and the capital allocated in 2013 corresponds to a common equity Tier 1 capital ratio of 12 per cent. The allocation of credit risk is based on the Group's internal measurement of risk-adjusted capital requirements for credit. Capital requirements for market risk are allocated directly in accordance with risk-weighted volume, and operational risk is allocated based on the respective units' total income. Figures for previous periods have been adjusted accordingly.

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, operating income and expenses relating to some of these customers and transactions are recorded in the accounts of all relevant business areas. This refers primarily to income from customer trading in DNB Markets. Double entries are presented gross in the income statement. Income is presented under "Income attributable to product suppliers", appurtenant costs under "Costs attributable to product suppliers" and impairment under "Impairment attributable to product suppliers". Double entries also include income from Insurance and Asset Management. Double entries are eliminated in the group accounts.

Note 4 Segments (continued)

Income statement

DNB Group

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		Other operations/ eliminations [1]		DNB Group	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
Amounts in NOK million	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net interest income - ordinary operations	4 091	3 712	2 345	2 458	117	193	(71)	(101)	376	391	6 857	6 653
Interest on allocated capital [2]	178	226	230	334	70	82	81	107	(559)	(749)	0	0
Net interest income	4 269	3 939	2 575	2 791	187	275	10	6	(183)	(358)	6 857	6 653
Other operating income	926	897	533	527	1 316	2 150	1 079	1 011	(173)	(2 978)	3 682	1 607
Income attributable to product suppliers	295	298	501	558	0	0	0	0	(795)	(856)	0	0
Net other operating income	1 221	1 196	1 034	1 085	1 316	2 150	1 079	1 011	(968)	(3 835)	3 682	1 607
Total income	5 490	5 135	3 609	3 876	1 503	2 426	1 088	1 017	(1 152)	(4 193)	10 539	8 261
Other operating expenses [3]	2 749	2 698	1 038	1 027	501	545	541	586	657	202	5 485	5 058
Cost attributable to product suppliers	148	147	185	221	0	0	0	0	(333)	(368)	0	0
Operating expenses	2 896	2 845	1 223	1 248	501	545	541	586	324	(166)	5 485	5 058
Pre-tax operating profit before impairment	2 594	2 289	2 385	2 628	1 002	1 881	548	431	(1 475)	(4 026)	5 054	3 202
Net gains on fixed and intangible assets	0	0	1	2	0	0	0	0	4	4	4	7
Impairment of loans and guarantees [4]	166	322	568	461	0	0	0	0	3	1	737	784
Impairment loss attributable to product suppliers	0	0	(1)	0	0	0	0	0	1	0	0	0
Profit from repossessed operations	4	(4)	(26)	(119)	0	0	0	0	23	123	0	0
Pre-tax operating profit	2 431	1 963	1 793	2 051	1 002	1 881	548	431	(1 453)	(3 900)	4 321	2 425
Taxes	681	550	538	599	291	545	62	(94)	(422)	(968)	1 149	631
Profit from operations held for sale, after taxes	0	0	0	0	0	0	0	0	10	0	10	0
Profit for the period	1 751	1 413	1 255	1 452	712	1 335	486	525	(1 021)	(2 931)	3 181	1 794

1) Other operations/eliminations:

	Elimination of income/ cost attributable to product suppliers		*Other eliminations*		*Group Centre* [*)]		*Total*	
	1st quarter		*1st quarter*		*1st quarter*		*1st quarter*	
Amounts in NOK million	*2013*	*2012*	*2013*	*2012*	*2013*	*2012*	*2013*	*2012*
Net interest income - ordinary operations	*0*	*0*	*(11)*	*(28)*	*387*	*419*	*376*	*391*
Interest on allocated capital [2]	*0*	*0*	*0*	*0*	*(559)*	*(749)*	*(559)*	*(749)*
Net interest income	*0*	*0*	*(11)*	*(28)*	*(172)*	*(330)*	*(183)*	*(358)*
Other operating income	*0*	*0*	*(331)*	*(196)*	*158*	*(2 782)*	*(173)*	*(2 978)*
Income attributable to product suppliers	*(795)*	*(856)*	*0*	*0*	*0*	*0*	*(795)*	*(856)*
Net other operating income	*(795)*	*(856)*	*(331)*	*(196)*	*158*	*(2 782)*	*(968)*	*(3 835)*
Total income	*(795)*	*(856)*	*(342)*	*(224)*	*(15)*	*(3 112)*	*(1 152)*	*(4 193)*
Other operating expenses [3]	*0*	*0*	*(342)*	*(224)*	*999*	*426*	*657*	*202*
Cost attributable to product suppliers	*(333)*	*(368)*	*0*	*0*	*0*	*0*	*(333)*	*(368)*
Operating expenses	*(333)*	*(368)*	*(342)*	*(224)*	*999*	*426*	*324*	*(166)*
Pre-tax operating profit before impairment	*(462)*	*(488)*	*0*	*0*	*(1 013)*	*(3 538)*	*(1 475)*	*(4 026)*
Net gains on fixed and intangible assets	*0*	*0*	*0*	*0*	*4*	*4*	*4*	*4*
Impairment of loans and guarantees [4]	*0*	*0*	*0*	*0*	*3*	*1*	*3*	*1*
Impairment loss attributable to product suppliers	*1*	*0*	*0*	*0*	*0*	*0*	*1*	*0*
Profit from repossessed operations	*0*	*0*	*0*	*0*	*23*	*123*	*23*	*123*
Pre-tax operating profit	*(463)*	*(488)*	*0*	*0*	*(990)*	*(3 412)*	*(1 453)*	*(3 900)*

The eliminations refer mainly to internal services from support units to business areas and between business areas. Further, intra-group transactions and gains and losses on transactions between companies in the Group are eliminated. The elimination of income/cost attributable to product suppliers primarily concerns net profits on customer business carried out in cooperation between DNB Markets and other business areas and taken to income in both areas.

The Group Centre includes Operations, HR (Human Resources), IT, Group Finance and Risk Management, Marketing, Communications and eBusiness, Corporate Centre, Treasury, the partially owned company Eksportfinans, investments in IT infrastructure and shareholder-related costs. In addition, the Group Centre includes that part of the Group's equity that is not allocated to the business areas. Profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" in the company's internal reporting of business areas. The acquired companies are included in the Group Centre.

*)		*1st quarter*	
	Group Centre - pre-tax operating profit in NOK million	*2013*	*2012*
	+ Interest on unallocated equity etc.	*1*	*(210)*
	+ Income from equities investments	*(14)*	*(21)*
	+ Gains on fixed and intangible assets	*4*	*4*
	+ Mark-to-market adjustments Treasury and fair value of loans	*(218)*	*(939)*
	+ Basis swaps	*(233)*	*(2 301)*
	+ Eksportfinans ASA	*70*	*226*
	+ Net gains on investment property	*12*	*(144)*
	+ Profit from repossessed operations	*23*	*123*
	- Provisions for debt-financed structured products	*450*	*0*
	- Unallocated impairment of loans and guarantees	*3*	*1*
	- Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	*110*	*107*
	- Unallocated pension expenses	*23*	*31*
	- Unallocated IT expenses	*49*	*(1)*
	- Funding costs on goodwill	*10*	*15*
	Other	*12*	*4*
	Pre-tax operating profit	*(990)*	*(3 412)*

Note 4 Segments (continued)

2) *Allocated capital corresponds to the external capital adequacy requirement (Basel II) which must be met by the Group.*
3) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*
4) *See note 15 Impairment of loans and guarantees for an analysis of the gross change in impairment for the Group.*

Main average balance sheet items

DNB Group

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		Other operations/ eliminations		DNB Group	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
Amounts in NOK billion	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Loans to customers [1]	875.6	824.4	425.0	452.3	2.2	2.7	1.9	1.8	(1.7)	(2.1)	1 303.2	1 279.2
Deposits from customers [1]	462.2	432.2	342.5	288.3	69.6	43.7			(3.7)	(1.9)	870.6	762.4
Assets under management							492.8	531.8			492.8	531.8
Allocated capital [2]	38.1	33.3	50.5	52.0	15.0	12.1	17.3	15.1				

Key figures

DNB Group

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		Other operations		DNB Group	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
Per cent	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Cost/income ratio [3]	52.8	55.4	33.9	32.2	33.3	22.5	49.7	57.9			52.0	61.2
Ratio of deposits to loans [1] [4]	52.8	52.4	80.6	63.7							66.8	59.6
Return on allocated capital, annualised [2]	18.6	17.1	10.1	11.2	19.3	44.5	11.4	13.4			10.9	11.7
Number of full-time positions as at 31 March	4 722	4 993	4 089	4 464	693	716	971	1 047	2 486	2 415	12 962	13 635

1) *Loans to customers include accrued interest, impairment and value adjustments. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest and value adjustments. Amounts due to credit institutions are not included.*
2) *Allocated capital for the business areas are calculated on the basis of allocated capital which corresponds to the external capital adequacy requirement (Basel II) which must be met by the Group. Recorded capital are used for the Group.*
3) *Total operating expenses relative to total income.*
4) *Deposits from customers relative to loans to customers.*

Note 4 Segments (continued)

DNB Livsforsikring

The business area Insurance and Asset Management comprises DNB Livsforsikring ASA, DNB Asset Management Holding AS and their respective subsidiaries, in addition to DNB Skadeforsikring. DNB Livsforsikring ASA including subsidiaries is fully consolidated in the DNB Group accounts. DNB Livsforsikring's lines of business are life insurance and pension savings. Operations are thus different from operations in the rest of the Group. Profit sharing between policyholders and the owner in life insurance companies is based on special accounting regulations for such operations stipulated by the Norwegian Ministry of Finance. Regulations relating to profit sharing between the owner and policyholders in life insurance companies limit the DNB Group’s access to revenues and assets from life insurance operations. The tables below describe the income statement, balance sheet and key figures for DNB Livsforsikring.

Income statement [1)]	**DNB Livsforsikring**		
Amounts in NOK million	1st quarter 2013	1st quarter 2012 [2)]	Full year 2012 [2)]
Commissions and fee income etc.	632	569	2 305
Commissions and fee expenses etc.	71	84	330
Net gains on assets in DNB Livsforsikring	3 960	4 548	14 283
Guaranteed returns, strengthened premium reserve and allocations to policyholders in DNB Livsforsikring [*)]	3 727	4 157	13 232
Premium income etc. included in the risk result in DNB Livsforsikring	524	1 330	5 102
Insurance claims etc. included in the risk result in DNB Livsforsikring	498	1 442	5 421
Other income	5	8	30
Net other operating income	**824**	**772**	**2 738**
Total income	**824**	**772**	**2 738**
Salaries and other personnel expenses	175	183	686
Other expenses	167	160	648
Depreciation and impairment of fixed and intangible assets	20	23	92
Total operating expenses	**362**	**366**	**1 427**
Net gains on fixed and intangible assets	0	0	0
Pre-tax operating profit	**462**	**406**	**1 311**
Taxes	38	(102)	(347)
Profit for the period [3)]	**424**	**508**	**1 658**
**) Of which provisions for higher life expectancy, group pensions*	*414*	*733*	*3 323*

1) *The figures encompass DNB Livsforsikring ASA including subsidiaries as included in the DNB Group accounts before eliminations for intra-group transactions and balances.*

2) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*

3) *Breakdown of income statement*

	DNB Livsforsikring		
Amounts in NOK million	*1st quarter 2013*	*1st quarter 2012 [2)]*	*Full year 2012 [2)]*
Interest result	*784*	*1 349*	*4 952*
Application of/(transferred to) additional allocations	*0*	*0*	*0*
Risk result	*29*	*(102)*	*(300)*
Administration result	*23*	*(4)*	*39*
Upfront pricing of risk and guaranteed rate of return	*190*	*142*	*580*
Transferred to security reserve	*4*	*10*	*19*
Provisions for higher life expectancy, group pensions [*)]	*414*	*733*	*3 323*
Proposed allocations to policyholders	*148*	*236*	*618*
Pre-tax operating profit	*462*	*406*	*1 311*
Taxes	*38*	*(102)*	*(347)*
Profit for the period	*424*	*508*	*1 658*

**) Provisions for higher life expectancy include a proposed increase in premium reserves for group pensions of NOK 414 million for the first quarter of 2013. The provisions are financed through the interest and risk result and were finally determined at year-end.*

Note 4 Segments (continued)

Balance sheets [1]	DNB Livsforsikring		
Amounts in NOK million	31 March 2013	31 Dec. 2012 [2]	31 March 2012 [2]
Assets			
Due from credit institutions	10 867	7 476	5 588
Loans to customers	1 994	1 941	1 926
Commercial paper and bonds	66 085	64 952	66 550
Shareholdings	45 905	37 816	41 925
Financial assets, customers bearing the risk	30 059	28 269	25 770
Financial derivatives	1 331	1 279	1 246
Commercial paper and bonds, held to maturity	89 554	88 948	83 528
Investment property [3]	33 054	37 968	37 764
Investments in associated companies	17	17	16
Intangible assets	191	211	219
Deferred tax assets	319	357	0
Fixed assets	4	4	9
Other assets	3 201	1 314	2 648
Total assets	**282 579**	**270 551**	**267 188**
Liabilities and equity			
Financial derivatives	1 469	665	1 183
Insurance liabilities, customers bearing the risk	30 059	28 269	25 770
Liabilities to life insurance policyholders in DNB Livsforsikring	226 367	221 185	218 093
Payable taxes	17	16	41
Deferred taxes	0	0	69
Other liabilities	6 511	2 782	4 300
Pension commitments	448	368	793
Subordinated loan capital	1 322	1 302	2 491
Total liabilities	**266 192**	**254 587**	**252 739**
Share capital	1 621	1 621	1 621
Share premium reserve	3 875	3 875	3 875
Other equity	10 892	10 468	8 953
Total equity	**16 387**	**15 964**	**14 449**
Total liabilities and equity	**282 579**	**270 551**	**267 188**

1) *The figures encompass DNB Livsforsikring ASA including subsidiaries as included in the DNB Group accounts before eliminations for intra-group transactions and balances.*
2) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*
3) *See note 19 Investment properties.*

Key figures	DNB Livsforsikring		
Per cent	1st quarter 2013	1st quarter 2012	Full year 2012
Recorded return, excluding unrealised gains on financial instruments [1]	1.1	1.3	5.4
Value-adjusted return, excluding unrealised gains on commercial paper and bonds, held to maturity [1]	1.4	1.9	5.7
Value-adjusted return, including unrealised gains on commercial paper and bonds, held to maturity, and unrealised gains on current assets [1]	1.4	2.2	7.3
Capital adequacy ratio at end of period [2]	16.1	14.0	16.7
Core capital ratio at end of period [2]	15.0	12.9	15.6
Solvency margin capital in per cent of requirement at end of period [2] [3]	194	185	195

1) *Refers to the common portfolio.*
2) *The Norwegian FSA and the Ministry of Finance have not adapted capital adequacy or solvency margin capital regulations according to IFRS.*
3) *Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments. The solvency margin capital requirements for Norwegian life insurance companies are subject to regulations laid down by the Ministry of Finance on 19 May 1995.*

Note 5 Net interest income

Amounts in NOK million	DNB Group 1st quarter 2013	 1st quarter 2012	 Full year 2012
Interest on amounts due from credit institutions	283	359	1 198
Interest on loans to customers	12 551	13 480	52 722
Interest on impaired loans and guarantees	151	145	625
Interest on commercial paper and bonds	1 354	1 290	4 991
Front-end fees etc.	73	83	337
Other interest income	188	704	3 195
Total interest income	**14 600**	**16 060**	**63 068**
Interest on amounts due to credit institutions	647	892	3 264
Interest on deposits from customers	3 773	4 030	15 838
Interest on debt securities issued	2 963	3 433	13 135
Interest on subordinated loan capital	104	160	676
Guarantee fund levy	187	21	90
Other interest expenses [1)]	68	871	2 849
Total interest expenses	**7 743**	**9 407**	**35 853**
Net interest income	**6 857**	**6 653**	**27 216**

1) *Other interest expenses include interest rate adjustments resulting from interest swaps entered into.*

Note 6 Net commission and fee income

Amounts in NOK million	DNB Group 1st quarter 2013	 1st quarter 2012	 Full year 2012
Money transfer fees	780	771	3 186
Fees on asset management services	261	260	1 044
Fees on custodial services	76	75	320
Fees on securities broking	58	62	185
Corporate finance	105	185	585
Interbank fees	8	10	43
Credit broking commissions	63	52	445
Sales commissions on insurance products	678	651	2 599
Sundry commissions and fees on banking services	220	209	891
Total commission and fee income etc.	**2 249**	**2 274**	**9 299**
Money transfer fees	272	259	1 142
Commissions on fund management services	41	40	160
Fees on custodial services	31	35	132
Interbank fees	16	18	78
Credit broking commissions	27	27	91
Commissions on the sale of insurance products	24	35	112
Sundry commissions and fees on banking services	144	193	621
Total commission and fee expenses etc.	**555**	**607**	**2 337**
Net commission and fee income	**1 693**	**1 667**	**6 962**

Note 7 Net gains on financial instruments at fair value

Amounts in NOK million	DNB Group 1st quarter 2013	 1st quarter 2012	 Full year 2012
Dividends	30	50	400
Net gains on commercial paper and bonds	(109)	666	3 051
Net gains on shareholdings and equity-related derivatives	39	34	120
Net unrealised gains on basis swaps	(233)	(2 432)	(1 687)
Net gains on other financial instruments	1 337	677	2 025
Net gains on financial instruments at fair value	**1 063**	**(1 006)**	**3 910**

Note 8 Profit from companies accounted for by the equity method

Moody's and Standard & Poor's downgrades of Eksportfinans' credit rating in the fourth quarter of 2011 resulted in sizeable unrealised gains on the company's long-term funding. The effect of such unrealised gains on DNB's holding, after tax, represented NOK 11.8 billion in the fourth quarter of 2011. After reviewing the fair value of the company in connection with the closing of the annual accounts, DNB wrote down the value by an amount corresponding to unrealised gains on Eksportfinans' own debt in the fourth quarter of 2011. In 2012, the required rate of return in the market was reduced, and Eksportfinans had sizeable unrealised losses on own debt. The impairment loss recorded by DNB in the fourth quarter of 2011 was reversed by an amount corresponding to these unrealised losses. The reversal represented just under NOK 7.5 billion of DNB's holding after tax. In the first quarter of 2013, an additional reversal of NOK 0.5 billion was made. The impairment loss in 2011 and subsequent reversals have been reported on the line "Profit from companies accounted for by the equity method" along with DNB's share of profits from the company.

Note 9 Other income

			DNB Group
Amounts in NOK million	1st quarter 2013	1st quarter 2012	Full year 2012
Income from owned/leased premises	6	16	63
Income from investment properties	68	68	273
Fees on real estate broking	263	268	1 134
Miscellaneous operating income	208	171	671
Total other income	**543**	**522**	**2 141**

Note 10 Operating expenses

			DNB Group
Amounts in NOK million	1st quarter 2013	1st quarter 2012 [1)]	Full year 2012 [1)]
Salaries	1 890	1 956	7 844
Employer's national insurance contributions	278	289	1 123
Pension expenses	277	290	1 236
Restructuring expenses	28	1	131
Other personnel expenses	166	186	652
Total salaries and other personnel expenses	**2 639**	**2 721**	**10 987**
Fees [2)]	281	291	1 289
IT expenses [2)]	567	499	1 849
Postage and telecommunications	80	89	342
Office supplies	23	23	99
Marketing and public relations	204	252	904
Travel expenses	44	59	250
Reimbursement to Norway Post for transactions executed	28	31	138
Training expenses	15	21	65
Operating expenses on properties and premises	357	350	1 441
Operating expenses on machinery, vehicles and office equipment	32	33	143
Other operating expenses [3)]	683	260	931
Total other expenses	**2 316**	**1 907**	**7 451**
Impairment losses for goodwill [4)]	0	0	287
Depreciation and impairment of fixed and intangible assets	529	430	2 035
Total depreciation and impairment of fixed and intangible assets	**529**	**430**	**2 322**
Total operating expenses	**5 485**	**5 058**	**20 760**

1) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*

2) *Fees also include system development fees and must be viewed relative to IT expenses.*

3) *During the first quarter of 2013, NOK 450 million was charged to the income statement in connection with the Supreme Court ruling regarding certain debt-financed structured products.*

4) *Impairment losses for goodwill of NOK 202 million relating to DNB Livsforsikring were recorded in the fourth quarter of 2012. Impairment losses for goodwill of NOK 47 million relating to SalusAnsvar and NOK 38 million to Pres-Vac were recorded in the third quarter of 2012.*

Note 11 Number of employees/full-time positions

	DNB Group		
	1st quarter 2013	1st quarter 2012 [1)]	Full year 2012 [1)]
Number of employees at end of period	13 416	14 088	13 703
- of which number of employees abroad	4 168	4 661	4 371
Number of employees calculated on a full-time basis at end of period	12 962	13 635	13 291
- of which number of employees calculated on a full-time basis abroad	4 104	4 574	4 316
Average number of employees	13 559	14 082	13 982
Average number of employees calculated on a full-time basis	13 126	13 634	13 542

1) *The 2012 figures include SalusAnsvar AB, which was sold at the end of January 2013. At year-end 2012, SalusAnsvar's staff represented 137 full-time positions and 147 employees.*

Note 12 Fair value of financial instruments at amortised cost

	DNB Group	
Amounts in NOK million	Book value 31 March 2013	Fair value 31 March 2013
Cash and deposits with central banks	35 366	35 366
Due from credit institutions	24 570	24 570
Loans to customers	1 179 405	1 178 213
Commercial paper and bonds, held to maturity	155 362	160 498
Total financial assets	1 394 703	1 398 648
Due to credit institutions	30 832	30 832
Deposits from customers	843 738	843 738
Securities issued	414 629	419 426
Subordinated loan capital	17 141	16 652
Total financial liabilities	1 306 340	1 310 648

Note 13 Financial instruments at fair value

	DNB Group				
Amounts in NOK million	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	Accrued interest [1)]	Total
Assets as at 31 March 2013					
Deposits with central banks	0	362 468	0	1	362 469
Due from credit institutions	0	40 720	0	169	40 889
Loans to customers	0	1 733	133 506	460	135 699
Commercial paper and bonds at fair value	85 518	150 234	929	2 846	239 527
Shareholdings	14 774	32 321	9 811		56 906
Financial assets, customers bearing the risk	30 059	0	0		30 059
Financial derivatives	35	93 657	817		94 509
Liabilities as at 31 March 2013					
Due to credit institutions	0	305 227	0	469	305 696
Deposits from customers	0	45 130	0	175	45 305
Debt securities issued	0	274 327	0	967	275 295
Subordinated loan capital	0	1 453	0	17	1 469
Financial derivatives	28	64 004	583		64 615

1) *Accrued interest on financial derivatives is included in the amounts in levels 2 and 3.*

Note 13 Financial instruments at fair value (continued)

Financial instruments at fair value, level 3 **DNB Group**

	Financial assets				Financial liabilities
Amounts in NOK million	Loans to customers	Commercial paper and bonds	Share-holdings [1)]	Financial derivatives	Financial derivatives
Recorded value as at 31 December 2012	**130 116**	**593**	**9 619**	**877**	**607**
Net gains on financial instruments	34	(4)	306	(32)	(40)
Additions/purchases	5 451	83	113	84	78
Sales	0	482	250	0	0
Settled	2 095	0	0	112	61
Transferred from level 1 or level 2	0	810	0	0	0
Transferred to level 1 or level 2	0	73	0	0	0
Other [2)]	0	2	23	0	0
Recorded value as at 31 March 2013	**133 506**	**929**	**9 811**	**817**	**583**

1) *Equities classified as level 3 comprise, in addition to pure equity investments, property fund units, limited partnership units, private equity investments and hedge fund units.*
2) *Includes exchange rate effects.*

Loans to customers
The portfolio of loans carried at fair value consists primarily of fixed-rate loans in Norwegian kroner and a share of margin loans in Norwegian kroner. The value of fixed-rate loans is determined by discounting agreed interest flows over the term of the loan, using a discount factor adjusted for margin requirements.The assumptions underlying the calculation of the margin requirement are based on a review of the market conditions on the balance sheet date and on an assessment of the deliberations made by external investors when investing in a correspond-ding portfolio. A margin requirement is calculated for margin loans, and the difference between the margin requirement and the agreed margin is discounted over the average expected time to the repricing of the loan.

For a further discussion of the instruments and valuation techniques, see DNB's annual report for 2012.

Breakdown of fair value, level 3 **DNB Group**

Amounts in NOK million	Loans to customers 31 March 2013	Commercial paper and bonds 31 March 2013	Share-holdings 31 March 2013
Principal amount/purchase price	132 137	930	8 589
Fair value adjustment	1 368	(1)	1 223
Total fair value, excluding accrued interest	133 506	929	9 811

Sensitivity analysis, level 3 **DNB Group**

Amounts in NOK million	Recorded value 31 March 2013	Effect of reasonably possible alternative assumptions
Loans to customers	133 506	(276)
Commercial paper and bonds	929	(2)
Shareholdings	9 811	0
Financial derivatives, net	234	0

In order to show the sensitivity of the loan portfolio, the discount rate on fixed-rate loans and the margin requirement on margin-based loans have been increased by 10 basis points.

Level 3 bonds mainly represent investments in Norwegian municipalities, country municipalities, savings banks and power companies. A 10 basis point increase in the discount rate has had insignificant effects.

Level 3 equities represent a total of NOK 6 344 million in private equity investments, property funds, hedge funds and unquoted equities in DNB Livsforsikring. The fair values of the funds are largely based on reported values from the fund managers. For private equity and property funds, the fund managers use cash flow-based models or multiples when determining fair values. The Group does not have full access to information about all elements in these valuations and thus has no basis for determining alternative values for alternative assumptions. The use of alternative values will have a limited effect on the Group's profits, as the investments are included in DNB Livsforsikring's common portfolio.

The banking group's portfolio of equities in level 3 was NOK 3 405 million as at 31 March 2013. The investment in Nets Holding represented NOK 1 815 million.

Note 14 Offsetting

DNB Group

Amounts in NOK million	Gross carrying amount	Amounts offset in the statement of financial position	Carrying amount	Netting agreements	Other collateral [1]	Amounts after possible netting
Assets as at 31 March 2013						
Due from credit institutions [2]	26 702		26 702		26 702	0
Loans to customers [2]	1 738		1 738		1 738	0
Stimulus package - swap scheme with Norges Bank [3]	50 186		50 186		50 186	0
Financial derivatives [4]	119 638	25 129	94 509	58 042	325	36 143
Liabilities as at 31 March 2013						
Due to credit institutions [5]	24 152		24 152		24 128	24
Deposits from customers [5]	225		225		214	11
Funding from Norges Bank [3]	50 186		50 186		50 186	0
Financial derivatives [4]	87 653	23 038	64 615	58 042		6 573

1) *Includes both securities received/transferred from/to counterparties and securities received/placed as collateral in closed depositories in Clearstream or Euroclear.*
2) *Includes reverse repurchase agreements, securities borrowing and loans collateralised by securities.*
3) *See note 24 Information on related parties for information regarding the swap scheme with Norges Bank.*
4) *Financial derivatives are presented net in the balance sheet after received/paid cash collateral.*
5) *Includes repurchase agreements, securities lending and deposits collateralised by securities.*

The Group's netting rights are in compliance with general rules in Norwegian legislation. Netting clauses have been included in all of the bank’s standard loan agreements and in product agreements in DNB Markets. CSA agreements (Credit Support Annex) have been entered into with most of the major banks. This implies that the market value of all derivatives entered into between DNB and the counterparty is settled either daily or weekly. Master netting agreements give access to setting off other outstanding accounts with customers if certain conditions occur. The amounts are not set off in the balance sheet as the transactions are generally not settled on a net basis.

Note 15 Impairment of loans and guarantees

DNB Group

Amounts in NOK million	1st quarter 2013	1st quarter 2012	Full year 2012
Write-offs	65	82	344
New individual impairment	1 070	1 005	3 800
Total new individual impairment	1 135	1 087	4 144
Reassessed individual impairment	406	298	818
Recoveries on loans and guarantees previously written off	113	102	412
Net individual impairment	616	688	2 915
Change in collective impairment of loans	121	96	265
Impairment of loans and guarantees [1]	**737**	**784**	**3 179**
Write-offs covered by individual impairment made in previous years	279	910	2 879
1) Of which individual impairment of guarantees	*75*	*49*	*63*

Note 16 Loans to customers

	DNB Group		
Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
Loans at amortised cost:			
Loans to customers, nominal amount	1 189 383	1 175 095	1 178 461
Individual impairment	9 722	9 308	9 136
Loans to customers, after individual impairment	1 179 660	1 165 787	1 169 325
+ Accrued interest and amortisation	2 923	2 367	2 494
- Individual impairment of accrued interest and amortisation	701	708	709
- Collective impairment	2 476	2 321	2 175
Loans to customers, at amortised cost	1 179 405	1 165 124	1 168 935
Loans at fair value:			
Loans to customers, nominal amount	133 870	131 001	114 811
+ Accrued interest	460	432	500
+ Adjustment to fair value	1 369	1 334	280
Loans to customers, at fair value	135 699	132 767	115 590
Loans to customers	**1 315 104**	**1 297 892**	**1 284 526**

Note 17 Net impaired loans and guarantees for principal customer groups [1)]

	DNB Group		
Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
Private individuals	3 352	3 545	3 653
Transportation by sea and pipelines and vessel construction	5 141	5 246	4 505
Real estate	3 798	3 685	3 309
Manufacturing	2 030	1 811	2 076
Services	553	573	697
Trade	321	370	1 452
Oil and gas	42	40	0
Transportation and communication	559	584	363
Building and construction	987	1 030	737
Power and water supply	135	105	3
Seafood	65	67	66
Hotels and restaurants	204	205	305
Agriculture and forestry	180	235	241
Central and local government	0	0	0
Other sectors	17	15	76
Total customers	17 384	17 512	17 483
Credit institutions	0	0	0
Total net impaired loans and guarantees	17 384	17 512	17 483
Non-performing loans and guarantees not subject to impairment	2 534	2 228	2 814
Total net non-performing and doubtful loans and guarantees	19 918	19 740	20 297

1) *Includes loans and guarantees subject to individual impairment and total non-performing loans and guarantees not subject to impairment. The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.*

Note 18 Commercial paper and bonds, held to maturity

Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
		DNB Group	
DNB Markets	68 277	70 831	87 168
DNB Livsforsikring	89 554	88 948	83 528
Other units [1)]	(2 469)	(2 449)	(2 052)
Commercial paper and bonds, held to maturity	**155 362**	**157 330**	**168 644**

1) Including eliminations of DNB Livsforsikring's investments in bonds issued by DNB Boligkreditt.

As part of ongoing liquidity management, DNB Bank has invested in a portfolio of securities. The portfolio can be used to regulate the liquidity requirement and as a basis for furnishing collateral for operations in various countries. Among other things, the securities serve as collateral for short and long-term borrowing in a number of central banks and as a basis for liquidity buffers to meet regulatory requirements. With effect from 1 July 2008, the international bond portfolio in DNB Markets was reclassified from the category "fair value through profit or loss" to "held-to-maturity investments". Portfolios in this category are recorded at amortised cost and written down if there is objective evidence of a decrease in value.

In line with IAS 39, the portfolio has been reviewed to identify objective indications of impairment. No impairment losses have been identified in the portfolio.

Measurement of the reclassified bond portfolio

The reclassification in accordance with IAS 39 Financial Instruments: Recognition and Measurements requires that the value of the portfolio based on the principles applied before the reclassification must be reported. In a normal market situation, the portfolio would have been recorded at external observable prices before the reclassification. Due to the financial turmoil, there were no such observable prices in the market in 2008. In order to meet the disclosure requirement at end-March 2013, the portfolio has been measured at fair value according to models used for financial instruments not traded in an active market. The model applied is based on a regression analysis whereby historical market data (explanatory variables) which have been observable even during the financial turmoil are used to explain historical changes in value in the portfolio. During the period from the fourth quarter of 2006 up to and including the second quarter of 2008, the model shows a high level of correlation between changes in given market data and changes in value in the portfolio, which at the time was priced in an active market or through broker quotes which were believed to be fairly reliable. If the model had been applied to the portfolio in the first quarter of 2013, there would have been a NOK 67 million decrease in profits.

Effects of the reclassifications of the international bond portfolio

By measuring the portfolio at amortised cost, the value of the portfolio as at 31 March 2013 was NOK 0.9 billion higher than if the previous valuation principle had been retained. On the reclassification date, the book value of the portfolio was NOK 88.0 billion, compared with NOK 24.6 billion at end-March 2013. The average term to maturity of the portfolio was 4.9 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 12 million at end-March 2013.

Effects on profits of the reclassification — **DNB Group**

Amounts in NOK million	1st quarter 2013	1st quarter 2012	Full year 2012
Recorded amortisation effect	53	59	139
Net gain, if valued at fair value	(14)	247	1 464
Effects of reclassification on profits	67	(188)	(1 325)

Effects on the balance sheet of the reclassification — **DNB Group**

Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
Recorded unrealised losses	713	766	846
Unrealised losses, if valued at fair value	1 599	1 585	2 801
Effects of reclassification on the balance sheet	886	818	1 955

Development in the portfolio after the reclassification — **DNB Group**

Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
Reclassified portfolio, recorded value	24 648	25 511	32 987
Reclassified portfolio, if valued at fair value	23 762	24 692	31 031
Effects of reclassification on the balance sheet	886	818	1 955

Note 18 Commercial paper and bonds, held to maturity (continued)

DNB Markets' international bond portfolio

After the reclassification date, DNB Markets has chosen to increase its investments in held-to-maturity securities. According to new proposed liquidity requirements for banks, in order for the securities to be classified as liquid funds, they must qualify for immediate sale. New investments in the international bond portfolio as from 2011 mainly represent covered bonds carried at fair value. As at 31 March 2013 DNB Markets' international bond portfolio represented NOK 128.5 billion. 83.5 per cent of the securities in the portfolio had an AAA rating, while 11.4 per cent were rated AA. There were no synthetic securities in the portfolio and no investments in US sub-prime bonds or Collateralised Debt Obligations, CDOs. Nor were any investments made in Treasury bills in Portugal, Italy, Ireland, Greece or Spain. The structure of DNB Markets' international bond portfolio is shown below.

		DNB Group
	Per cent 31 March 2013	NOK million 31 March 2013
Asset class		
Consumer credit	0.1	129
Residential mortgages	30.7	39 675
Corporate loans	0.5	646
Government related	27.3	35 281
Covered bonds	41.4	53 503
Total international bond portfolio DNB Markets, nominal values	100.0	129 235
Accrued interest, amortisation effects and fair value adjustments		(748)
Total international bond portfolio DNB Markets		128 487
Total international bond portfolio DNB Markets, held to maturity		68 277
Of which reclassified portfolio		24 648

The average term to maturity of DNB Markets' international bond portfolio is 3.1 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 16 million at end-March 2013.

DNB Livsforsikring

Bonds held-to-maturity totalled NOK 89.6 billion in DNB Livsforsikring ASA's as at 31 March 2013, mainly comprising bonds issued by highly creditworthy borrowers. At end-March 2013, bonds with government guarantees represented 23 per cent of the portfolio, while covered bonds represented 30.8 per cent. The remaining bonds are generally issued by municipalities, county municipalities and highly creditworthy finance companies. All investments in bonds issued by finance companies represent senior debt, which has the highest ranking in the capital structure and first priority if the issuer goes bankrupt. Only in exceptional cases does DNB Livsforsikring invest in bonds issued by traditional manufacturing companies.

In line with IAS 39, the portfolio has been reviewed to identify objective indications of impairment. No impairment losses have been identified in the portfolio.

		DNB Group
	Per cent 31 March 2013	NOK million 31 March 2013
Asset class		
Government/government-guaranteed	23.0	20 141
Guaranteed by supranational entities	0.9	788
Municipalities/county municipalities	7.1	6 217
Bank and mortgage institutions	26.1	22 855
Covered bonds	30.8	26 971
Other issuers	12.1	10 596
Total bond portfolio DNB Livsforsikring, held to maturity, nominal values	100.0	87 568
Accrued interest, amortisation effects and fair value adjustments		1 986
Total bond portfolio DNB Livsforsikring, held to maturity		89 554

Note 19 Investment properties

Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
	DNB Group		
DNB Livsforsikring	33 054	37 968	37 764
Properties for own use [1)]	(3 521)	(3 506)	-
Other investment properties [2)]	4 229	5 034	5 285
Total investment properties	**33 761**	**39 496**	**43 049**

1) *Some properties in DNB Livsforsikring are classified as properties for own use in the group accounts and are recorded at fair value.*
2) *Other investment properties are mainly related to acquired companies.*

Investment properties in the Group are principally owned by DNB Livsforsikring. DNB Livsforsikring's portfolio totalled NOK 33 054 million as at 31 March 2013.

Fair value

Investment properties in DNB Livsforsikring are part of the common portfolio and are owned with the intention to achieve long-term returns for policyholders. The property portfolio is recorded at fair value on the balance sheet date. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants ("exit price").The Norwegian properties are valued by using an internal valuation model. As a supplement, external appraisals are obtained for a representative selection of properties in the portfolio at regular intervals throughout the year. During the first quarter of 2013, external appraisals were obtained for a total of 9 properties, representing 25 per cent of portfolio value. The purpose of the external appraisals is to benchmark the internal valuations against independent references. Internal calculations and the values recorded in the balance sheet are 1.0 per cent higher than average external appraisals. The Swedish properties in the portfolio and partially owned properties are valued based on external appraisals.

Internal valuation model

In the internal model, fair value is calculated as the present value of future cash flows during and after the contract period. The required rates of return stipulated in the model reflect market risk. For the office and shopping centre portfolios, a required rate of return of 8.5 per cent is used, while the required rate of return for the hotel portfolio is 8.75 per cent. Following an individual assessment, there was a revision of the required rates of return for some shopping centres, ranging from minus 0.3 to plus 0.5 percentage points.

Value development and sensitivity

The value of investment properties in DNB Livsforsikring was adjusted downwards by NOK 27 million during the first quarter of 2013. There have been no significant changes in the parameters included in the valuation model.

Valuations are particularly sensitive to changes in required rates of return and assumptions regarding future income flows. Other things equal, a 0.25 percentage point reduction in the required rate of return will change the value of the property portfolio by approximately 4.1 per cent or NOK 970 million. Correspondingly, a 5 per cent change in future market rents will change the value of the property portfolio by 3.9 per cent or NOK 932 million.

Changes in the value of investment properties

Amounts in NOK million	DNB Group Investment property
Recorded value as at 31 December 2011	**42 796**
Additions, purchases of new properties	173
Additions, capitalised investments	293
Additions, acquired companies	222
Net gains resulting from adjustment to fair value	(74)
Net gains resulting from adjustment to fair value of projects	0
Disposals	176
Exchange rate movements etc.	(185)
Recorded value as at 31 March 2012	**43 049**
Recorded value as at 31 December 2012	**39 496**
Additions, purchases of new properties	14
Additions, capitalised investments	134
Additions, acquired companies [1)]	0
Net gains resulting from adjustment to fair value [2)]	(42)
Net gains resulting from adjustment to fair value of projects	0
Disposals	6 104
Exchange rate movements etc.	263
Recorded value as at 31 March 2013	**33 761**

1) *See note 3 Changes in group structure for information about acquired companies.*
2) *There were no value adjustments on properties which are not owned by DNB Livsforsikring in the first quarter of 2013.*

Note 20 Intangible assets

			DNB Group
Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
Goodwill	4 818	4 717	5 184
IT systems development	1 695	1 737	1 482
Other intangible assets	261	264	354
Total intangible assets [1)]	**6 774**	**6 718**	**7 020**

1) *Assesments were performed for intangible assets in the first quarter of 2013 and were based on reported figures for the first quarter compared to the approved plans for the various cash-generating units. There was not identified any need for recognising impairment losses as a result of these assesments.*

Note 21 Debt securities issued and subordinated loan capital

As an element in liquidity management, the DNB Group issues and redeems own securities.

Debt securities issued			**DNB Group**
Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
Commercial paper issued, nominal amount	206 483	244 092	272 227
Bond debt, nominal amount [1)]	455 363	433 090	425 524
Adjustments	28 078	30 865	19 847
Total debt securities issued	**689 923**	**708 047**	**717 598**

Changes in debt securities issued						**DNB Group**
Amounts in NOK million	Balance sheet 31 March 2013	Issued 2013	Matured/ redeemed 2013	Exchange rate movements 2013	Other adjustments 2013	Balance sheet 31 Dec. 2012
Commercial paper issued, nominal amount	206 483	183 188	222 926	2 129		244 092
Bond debt, nominal amount [1)]	455 363	34 231	18 909	6 950		433 090
Adjustments	28 078				(2 787)	30 865
Total debt securities issued	**689 923**	**217 419**	**241 835**	**9 079**	**(2 787)**	**708 047**

Changes in subordinated loan capital and perpetual subordinated loan capital securities						**DNB Group**
Amounts in NOK million	Balance sheet 31 March 2013	Issued 2013	Matured/ redeemed 2013	Exchange rate movements 2013	Other adjustments 2013	Balance sheet 31 Dec. 2012
Term subordinated loan capital, nominal amount	10 583		2 259	(7)		12 848
Perpetual subordinated loan capital, nominal amount	3 918			114		3 804
Perpetual subordinated loan capital securities, nominal amount [2)]	3 089			(74)		3 162
Adjustments	1 021				(254)	1 275
Total subordinated loan capital and perpetual subordinated loan capital securities	**18 610**	**0**	**2 259**	**33**	**(254)**	**21 090**

1) *Minus own bonds. Outstanding covered bonds in DNB Boligkreditt totalled NOK 385.1 billion as at 31 March 2013. The cover pool represented NOK 522.8 billion.*

2) *Perpetual subordinated loan capital securities are eligible for inclusion in core capital by an amount not exceeding 15 per cent of total core capital. The Norwegian FSA may require that the securities should be written down proportionally to equity if the bank's core capital ratio falls below 5 per cent or capital adequacy ratio falls below 8 per cent. Amounts written down on the securities must be revalued before the distribution of dividends to shareholders or revaluation of equity.*

Note 22 Capital adequacy

The DNB Group follows the Basel II regulations for capital adequacy calculations. Valuation rules used in the statutory accounts form the basis for the consolidation, which is subject to special consolidation rules governed by the Consolidation Regulations. Capital adequacy is reported in accordance with regulations from Finanstilsynet. The amendments to IAS 19 entered into force on 1 January 2013 and are reflected in the capital adequacy figures as from the first quarter of 2013.

Primary capital	**DNB Bank ASA**		**DNB Bank Group**		**DNB Group**	
Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2013	31 Dec. 2012	31 March 2013	31 Dec. 2012
Share capital	18 314	18 314	18 314	18 314	16 270	16 269
Other equity	86 882	87 160	97 959	98 280	110 456	111 767
Total equity	105 196	105 474	116 274	116 594	126 726	128 035
Deductions						
Pension funds above pension commitments	0	(8)	(2)	(19)	(119)	(94)
Goodwill	(2 931)	(2 907)	(3 592)	(3 543)	(5 346)	(5 223)
Deferred tax assets	(653)	(565)	(1 274)	(1 055)	(1 286)	(1 066)
Other intangible assets	(1 026)	(1 092)	(1 798)	(1 822)	(1 990)	(2 017)
Dividends payable etc.	0	0	(6 000)	(6 000)	(3 420)	(3 420)
Unrealised gains on fixed assets	0	0	(30)	(30)	(30)	(30)
50 per cent of investments in other financial institutions	(400)	(392)	(547)	(538)	0	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(391)	(415)	(581)	(626)	(581)	(626)
Adjustments for urealised losses/(gains) on debt recorded at fair value	181	181	84	84	84	84
Minimum requirement reassurance allocation	-	-	-	-	(17)	(17)
Common Equity Tier 1 capital	99 977	100 276	102 535	103 047	114 023	115 627
Perpetual subordinated loan capital securities [1) 2)]	3 089	3 162	3 089	3 162	3 089	3 162
Tier 1 capital	103 065	103 439	105 623	106 209	117 111	118 790
Perpetual subordinated loan capital	3 918	3 804	3 918	3 804	3 918	3 804
Term subordinated loan capital [2)]	10 552	12 848	10 774	13 081	10 774	13 081
Deductions						
50 per cent of investments in other financial institutions	(400)	(392)	(547)	(538)	0	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(391)	(415)	(581)	(626)	(581)	(626)
Additions						
45 per cent of unrealised gains on fixed assets	0	0	18	18	18	18
Tier 2 capital	13 679	15 846	13 582	15 740	14 129	16 278
Total eligible primary capital [3)]	116 744	119 285	119 205	121 949	131 240	135 068
Risk-weighted volume	891 346	874 840	1 003 391	984 137	1 094 325	1 075 672
Minimum capital requirement	71 308	69 987	80 271	78 731	87 546	86 054
Common Equity Tier 1 capital ratio, transitional rules (%)	11.4	11.5	10.4	10.5	10.6	10.7
Tier 1 capital ratio, transitional rules (%)	11.7	11.8	10.7	10.8	10.8	11.0
Capital ratio, transitional rules (%)	13.2	13.6	12.0	12.4	12.1	12.6
Common Equity Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	11.2	-	10.2	-	10.4	-
Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	11.6	-	10.5	-	10.7	-
Capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	13.1	-	11.9	-	12.0	-

1) *Perpetual subordinated loan capital securities can represent up to 15 per cent of Tier 1 capital. The excess will qualify as Tier 2 capital.*

2) *As at 31 March 2013, calculations of capital adequacy for the banking group and DNB Group included a total of NOK 222 million in subordinated loan capital in associated companies.*

3) *Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the consolidated accounts since a different consolidation method is used. Associated companies are consolidated according to the pro-rata method in the capital adequacy calculations while the equity method is used in the accounts.*

Note 22 Capital adequacy (continued)

Specification of risk-weighted volume and capital requirements **DNB Group**

Amounts in NOK million	Nominal exposure 31 March 2013	EAD [1] 31 March 2013	Risk-weighted volume 31 March 2013	Capital requirements 31 March 2013	Capital requirements 31 Dec. 2012
IRB approach					
Corporate	829 803	686 450	371 110	29 689	29 417
Specialised Lending (SL)	4 385	4 297	2 199	176	192
Retail - mortgage loans	590 826	590 821	66 512	5 321	5 655
Retail - other exposures	101 080	83 371	23 520	1 882	1 839
Securitisation	68 277	68 277	23 892	1 911	1 893
Total credit risk, IRB approach	1 594 371	1 433 216	487 231	38 979	38 997
Standardised approach					
Central government	94 907	105 793	42	3	10
Institutions	148 105	116 773	28 365	2 269	2 040
Corporate	324 770	252 555	237 398	18 992	19 227
Retail - mortgage loans	56 176	53 620	30 160	2 413	2 189
Retail - other exposures	71 270	32 593	25 483	2 039	1 872
Equity positions	3 139	3 139	3 034	243	262
Securitisation	3 853	3 853	711	57	69
Other assets	11 098	11 098	11 098	888	758
Total credit risk, standardised approach	713 320	579 424	336 290	26 903	26 426
Total credit risk	2 307 691	2 012 640	823 522	65 882	65 423
Market risk					
Position risk, debt instruments			41 756	3 340	3 110
Position risk, equity instruments			1 255	100	104
Currency risk			0	0	0
Commodity risk			73	6	5
Total market risk			43 084	3 447	3 219
Operational risk			72 416	5 793	5 793
Net insurance, after eliminations			93 557	7 485	7 563
Deductions			(410)	(33)	(27)
Total risk-weighted volume and capital requirements before transitional rules			1 032 169	82 573	81 972
Additional capital requirements according to transitional rules [2]			62 157	4 973	4 082
Total risk-weighted volume and capital requirements			1 094 325	87 546	86 054

1) EAD, exposure at default.

2) Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent relative to the Basel I requirements.

Basel II

The majority of the credit portfolios are reported according to the IRB approach. However, some portfolios are still subject to final IRB approval from Finanstilsynet. These are banks and financial institutions (DNB Bank) and large corporate clients rated by simulation models (DNB Bank). Credit portfolios in Nordlandsbanken (corporate clients and home mortgages) will gradually be included in the volumes reported according to the IRB approach as and when they are transferred to the core system solutions and risk models in DNB Bank through 2013 and 2014.

Note 23 Liquidity risk

Liquidity risk is the risk that the DNB Group will be unable to meet its payment obligations. Overall liquidity management in the Group implies that DNB Bank ASA is responsible for funding domestic subsidiaries, as well as international branches and subsidiaries. Liquidity risk is managed and measured by means of various measurement techniques.

The Board of Directors has approved internal limits which restrict the short-term maturity of liabilities within different time frames. The various maturities are subject to stress testing based on a bank-specific crisis and a systemic crisis and a combination thereof, and a contingency plan has been established to handle market events. In addition, limits have been approved for structural liquidity risk, which implies that lending to customers should largely be financed through customer deposits, subordinated capital and long-term funding. Senior bond debt and covered bonds are the major sources of long-term funding. The Group's ratio of deposits to net loans was 67.6 per cent at end-March 2013 up from 62.7 per cent a year earlier. The ratio of deposits to net loans in DNB Bank ASA was 119 per cent at end-March 2013.

Throughout the first quarter, the funding markets were generally sound for banks with good credit ratings. Towards the end of the quarter, investors were more hesitant due to the turmoil in Cyprus. In relative terms, the position of Nordic banks has thus grown stronger compared with Southern European banks. Nevertheless, an increasing number of banks are regarded as financially strong. DNB is still among these banks and had ample access to both short and long-term funding throughout the quarter.

At the start of the quarter, it was also possible for Southern European banks to issue ordinary senior bonds at better terms than for many years. In general, European banks and financial institutions have less need for funding in 2013, which has resulted in fewer new bond issues and a lower price level. The turmoil in Southern Europe caused some uncertainty towards the end of the quarter, resulting in a rise in prices of long-term funding. However, prices have remained fairly stable for the financially strongest issuers.

The average remaining term to maturity for the portfolio of senior bond debt was 4.6 years at end-March 2013, compared with 4.7 years a year earlier. The DNB Group aims to achieve a sound and stable maturity structure for funding over the next five years.

Note 24 Information on related parties

Major transactions and agreements with related parties:

Eksportfinans ASA

DNB Bank ASA has a 40 per cent ownership interest in Eksportfinans. Financial market turbulence resulted in sizeable unrealised losses in Eksportfinans' liquidity portfolio in the first quarter of 2008. In order to ensure an adequate capital base for the company, its Board of Directors implemented three measures:

- A share issue of NOK 1.2 billion aimed at the company's owners was implemented, and all owners participated based on their proportional shares.
- A portfolio hedge agreement was entered into, and the owners were invited to participate. DNB Bank ASA's share of the agreement corresponded to 40.43 per cent. The agreement secures Eksportfinans against further decreases in portfolio values of up to NOK 5 billion effective from 29 February 2008. Any recovery of values relative to nominal values will accrue to the participants in the portfolio hedge agreement as payment for their hedging commitment.
- During the first quarter of 2008, Eksportfinans' largest owner banks, DNB Bank ASA, Nordea Bank AB and Danske Bank A/S, approved a committed credit line giving the company access to a liquidity reserve of up to USD 4 billion. The agreement was renewed in June 2009, June 2010 and June 2011. The renewal in 2010 resulted in a reduction in the limit for the liquidity reserve to USD 2 billion. DNB Bank ASA's share of this agreement represents approximately USD 1.1 billion. Eksportfinans has not availed itself of this credit line.

The transactions with Eksportfinans have been entered into on ordinary market terms as if they had taken place between independent parties.

Stimulus packages

On 24 October 2008, the Norwegian parliament authorised the Ministry of Finance to launch a scheme whereby the government and the banks exchange Treasury bills for covered bonds for an agreed period. Norges Bank administers the scheme on commission from the Ministry of Finance.

Under the swap scheme, the government sells Treasury bills to the banks in a time-limited swap for covered bonds. The banks have free disposal over the Treasury bills they acquire and may sell them in the market if they so wish. Treasury bill maturities are between three and six months. The swap agreements last for periods of up to five years, and the banks undertake to purchase new Treasury bills as and when the Treasury bills reach maturity during the agreement period. The Treasury bills are priced at NIBOR plus a premium corresponding to the margin at the time the agreement was concluded. As an additional requirement, there must be a spread of minimum 40 basis points between the agreed interest rate and the Treasury bill yield. Upon expiry of the agreements, the banks are under an obligation to repurchase the covered bonds from the government at the original selling price.

DNB Bank ASA has purchased bonds from DNB Boligkreditt, which have been used as collateral for swap agreements with Norges Bank. The bank is required to repurchase the covered bonds at the original selling price. The bank receives yield from the covered bonds as if they never had been sold. The accounting treatment of sales of financial instruments where the seller retains substantially all the risks and returns associated with the instrument, is described in IAS 39.20 Financial Instruments – Recognition and Measurement. The bank is of the opinion that the requirement for transfer of risk and returns associated with the bonds in accordance with this standard have not been fulfilled, and that the bonds thus cannot be derecognised from the balance sheet of the bank. On a consolidated basis, the bonds are treated as own bonds and netted against issued bonds in DNB Boligkreditt.

In practice, the swap agreements imply that the bank purchases Treasury bills from Norges Bank. These are initially recorded as investments in Treasury bills. The obligation to repurchase the bonds at a price corresponding to the value of the Treasury bills is recorded as funding from Norges Bank. At end-March 2013, this funding represented NOK 50.2 billion. At end-March 2013, the bank's investments in Treasury bills used in the swap agreements represented NOK 44.2 billion.

Note 25 Off-balance sheet transactions, contingencies and post-balance sheet events

Off-balance sheet transactions and additional information			**DNB Group**
Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
Performance guarantees	44 265	42 729	46 257
Payment guarantees	22 809	22 716	24 282
Loan guarantees [1)]	18 883	19 236	19 536
Guarantees for taxes etc.	6 724	6 658	5 660
Other guarantee commitments	2 315	2 405	4 665
Total guarantee commitments	94 996	93 743	100 400
Support agreements	11 068	10 863	10 589
Total guarantee commitments etc. [*)]	106 064	104 606	110 989
Unutilised credit lines and loan offers	503 365	492 947	508 070
Documentary credit commitments	2 384	2 219	3 128
Other commitments	2 011	2 030	5 652
Total commitments	507 759	497 195	516 850
Total guarantee and off-balance commitments	613 824	601 801	627 839
Pledged securities	89 253	94 871	96 159
**) Of which counter-guaranteed by financial institutions*	*1 084*	*1 139*	*19*

1) DNB Bank ASA carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DNB Bank ASA has issued guarantees. According to the agreement, DNB Bank ASA still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 4 133 million were recorded in the balance sheet as at 31 March 2013. These loans are not included under guarantees in the table.

Contingencies

Due to its extensive operations in Norway and abroad, the DNB Group will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the Group's financial position.

On 22 March 2013, the Norwegian Supreme Court ruled against DNB in the civil action brought against the bank by Ivar Petter Røeggen, claiming that two debt-financed investment agreements for structured products be declared null and void. In accordance with the reasoning for the judgment, DNB has made provisions of NOK 450 million to cover possible compensation payments to customers who have made debt-financed investments in certain structured products.

Other units in the Group are also involved in legal disputes relating to structured products. The DNB Group contests the claims.

DNB Bank ASA has brought an action against seven Norwegian municipalities for the settlement of interest swaps on commercial terms. The municipalities have stopped their payments under the agreements citing that full settlement took place upon payment of the residual value of the investments made. The bank's total claim in the civil action is NOK 825 million plus interest on overdue payments.

A civil action has been brought before a US court of law against DNB Markets Inc. (Minc) and the other arrangers of a USD 300 million senior note issue in 2010 on behalf of Overseas Shipholding Group (OSG). Minc's share of the note issue was approximately USD 19 million, representing around 6.25 per cent.

Post-balance sheet events

No information has come to light about important circumstances which had occurred on the balance sheet date on 31 March 2013 and up till the Board of Directors' final consideration of the accounts on 25 April 2013.

DNB ASA

Income statement

Amounts in NOK million	1st quarter 2013	1st quarter 2012	Full year 2012
Total interest income	21	55	138
Total interest expenses	88	100	410
Net interest income	**(66)**	**(45)**	**(272)**
Commissions and fees payable etc.	1	1	5
Other income [1)]	0	0	8 493
Net other operating income	**(1)**	**(1)**	**8 488**
Total income	**(68)**	**(47)**	**8 216**
Salaries and other personnel expenses	1	0	6
Other expenses	108	107	422
Total operating expenses	**110**	**107**	**427**
Pre-tax operating profit	**(177)**	**(154)**	**7 789**
Taxes	(50)	(43)	2 181
Profit for the period	**(128)**	**(111)**	**5 608**
Earnings/diluted earnings per share (NOK)	(0.08)	(0.07)	3.44
Earnings per share excluding operations held for sale (NOK)	(0.08)	(0.07)	3.44

1) Of which the group contribution from DNB Bank ASA represented NOK 8 333 million.

Balance sheet

Amounts in NOK million	31 March 2013	31 Dec. 2012	31 March 2012
Assets			
Due from DNB Bank ASA	3 986	3 980	7 389
Loans to other group companies	225	225	225
Investments in group companies	62 216	62 216	62 216
Receivables due from group companies	8 493	8 493	183
Total assets	**74 921**	**74 914**	**70 013**
Liabilities and equity			
Due to DNB Bank ASA	11 071	10 885	10 669
Other liabilities and provisions	5 550	5 602	3 215
Share capital	16 288	16 288	16 288
Share premium reserve	22 556	22 556	22 556
Other equity	19 455	19 583	17 285
Total liabilities and equity	**74 921**	**74 914**	**70 013**

Statement of changes in equity

Amounts in NOK million	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2011	**16 288**	**22 556**	**17 395**	**56 240**
Profit for the period			(111)	(111)
Balance sheet as at 31 March 2012	**16 288**	**22 556**	**17 285**	**56 129**
Balance sheet as at 31 December 2012	**16 288**	**22 556**	**19 583**	**58 427**
Profit for the period			(128)	(128)
Balance sheet as at 31 March 2013	**16 288**	**22 556**	**19 455**	**58 299**

Accounting principles

DNB ASA has prepared accounts according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS (International Financial Reporting Standards). These regulations give permission to record provisions for dividends and group contributions in subsidiaries as income and record the Board of Directors' proposed dividends and group contributions as liabilities on the balance sheet date. According to IFRS, dividends should be classified as equity until approved by the general meeting. A description of the accounting principles applied by DNB ASA in preparing the accounts is found in the annual report for 2012.

Key figures

	1st quarter 2013	1st quarter 2012 [1]	Full year 2012 [1]
	DNB Group		
Interest rate analysis			
1. Combined weighted total average spread for lending and deposits (%)	1.20	1.16	1.18
2. Average spread for ordinary lending to customers (%)	2.21	1.83	2.00
3. Average spread for deposits from customers (%)	(0.30)	0.04	(0.12)
Rate of return/profitability			
4. Net other operating income, per cent of total income	34.9	19.5	34.8
5. Cost/income ratio (%)	52.0	61.2	49.1
6. Return on equity, annualised (%)	10.0	6.3	11.7
7. RAROC, annualised (%)	10.9	11.7	11.5
8. Average equity including allocated dividend (NOK million)	128 572	114 158	118 261
9. Return on average risk-weighted volume, annualised (%)	1.19	0.65	1.25
Financial strength at end of period			
10. Common equity Tier 1 capital ratio, transitional rules (%)	10.6	9.3	10.7
10. Common equity Tier 1 capital ratio, transitional rules, excl. 50 per cent of profit for the period (%)	10.4	9.3	-
11. Tier 1 capital ratio, transitional rules (%)	10.8	9.9	11.0
11. Tier 1 capital ratio, transitional rules, excl. 50 per cent of profit for the period (%)	10.7	9.8	-
12. Capital ratio, transitional rules (%)	12.1	11.8	12.6
12. Capital ratio, transitional rules, excl. 50 per cent of profit for the period (%)	12.0	11.7	-
13. Common equity Tier 1 capital (NOK million)	114 023	110 242	115 627
14. Risk-weighted volume (NOK million)	1 094 325	1 124 249	1 075 672
Loan portfolio and impairment			
15. Individual impairment relative to average net loans to customers, annualised	0.19	0.22	0.22
16. Impairment relative to average net loans to customers, annualised	0.23	0.25	0.24
17. Net non-performing and net doubtful loans and guarantees, per cent of net loans	1.48	1.56	1.50
18. Net non-performing and net doubtful loans and guarantees at end of period (NOK million)	19 918	20 297	19 740
Liquidity			
19. Ratio of customer deposits to net loans to customers at end of period (%)	67.6	62.7	62.5
Total assets owned or managed by DNB			
20. Customer assets under management at end of period (NOK billion)	478	510	459
21. Total combined assets at end of period (NOK billion)	2 653	2 635	2 473
22. Average total assets (NOK billion)	2 379	2 269	2 364
23. Customer savings at end of period (NOK billion)	1 367	1 317	1 270
Staff			
24. Number of full-time positions at end of period	12 962	13 635	13 291
The DNB share			
25. Number of shares at end of period (1 000)	1 628 799	1 628 799	1 628 799
26. Average number of shares (1 000)	1 628 799	1 628 799	1 628 799
27. Earnings per share (NOK)	1.96	1.10	8.48
28. Earnings per share excl. operations held for sale (NOK)	1.95	1.10	8.42
29. Dividend per share (NOK) [2]	-	-	2.10
30. Total shareholders' return (%)	21.7	25.0	23.7
31. Dividend yield (%)	-	-	2.98
32. Equity per share incl. allocated dividend at end of period (NOK)	80.31	71.15	78.27
33. Share price at end of period (NOK)	85.65	73.20	70.40
34. Price/earnings ratio	10.99	16.60	8.37
35. Price/book value	1.07	1.03	0.90
36. Market capitalisation (NOK billion)	139.5	119.2	114.7

1) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.
2) Proposed dividend for 2012.

For definitions of selected key figures, see next page.

Key figures (continued)

Definitions

1, 2, 3	Based on nominal values excluding impaired loans, measured against the 3-month money market rate.
5	Total operating expenses relative to total income. Total expenses exclude impairment losses for goodwill and other intangible assets.
6	Average equity is calculated on the basis of recorded equity.
7	RAROC (Risk-Adjusted Return On Capital) is defined as risk-adjusted profits relative to average equity. Risk-adjusted profits indicate the level of profits in a normalised situation.
9	Profit for the period relative to average risk-weighted volume.
20	Total assets under management for customers in Insurance and Asset Management.
21	Total assets and customer assets under management.
23	Total deposits from customers, assets under management and equity-linked bonds.
25	The Annual General Meeting on 25 April 2012 authorised the Board of Directors of DNB ASA to acquire own shares for a total face value of up to NOK 732 959 487, corresponding to 4.5 per cent of share capital. The shares may be purchased through the stock market. Each share may be purchased at a price between NOK 10 and NOK 150. The authorisation is valid for a period of 12 months from 25 April 2012. Acquired shares shall be redeemed in accordance with regulations on the reduction of capital. An agreement has been signed with Norwegian Government/Ministry of Trade and Industry for the redemption of a proportional share of government holdings to ensure that the government's percentage ownership does not change as a result of the redemption of repurchased shares.
27	Holdings of own shares are not included in calculations of earnings per share.
28	Excluding operations held for sale. Holdings of own shares are not included in calculations of the number of shares.
30	Closing price at end of period less closing price at beginning of period, including dividends reinvested in DNB shares on the dividend payment date, relative to closing price at beginning of period.
32	Equity at end of period relative to number of shares at end of period.
34	Closing price at end of period relative to annualised earnings per share.
35	Closing price at end of period relative to recorded equity at end of period.
36	Number of shares multiplied by the closing share price at end of period.

Profit and balance sheet trends

Income statement — **DNB Group**

Amounts in NOK million	1st quarter 2013	4th quarter 2012 [1)]	3rd quarter 2012 [1)]	2nd quarter 2012 [1)]	1st quarter 2012 [1)]
Total interest income	14 600	15 002	15 926	16 080	16 060
Total interest expenses	7 743	7 901	9 098	9 446	9 407
Net interest income	**6 857**	**7 101**	**6 828**	**6 634**	**6 653**
Commission and fee income etc.	2 249	2 363	2 285	2 377	2 274
Commission and fee expenses etc.	555	563	587	580	607
Net gains on financial instruments at fair value	1 063	1 363	906	2 646	(1 006)
Net gains on assets in DNB Livsforsikring	3 925	3 430	4 286	1 940	4 562
Guaranteed returns, strengthened premium reserve and allocations to policyholders in DNB Livsforsikring	3 731	3 117	4 077	1 836	4 157
Premium income etc. included in the risk result in DNB Livsforsikring	524	1 196	1 586	991	1 330
Insurance claims etc. included in the risk result in DNB Livsforsikring	498	1 370	1 617	992	1 442
Premium income, DNB Skadeforsikring	331	324	313	310	303
Insurance claims etc., DNB Skadeforsikring	256	246	207	218	254
Profit from companies accounted for by the equity method	74	177	246	141	225
Net gains on investment property	12	(16)	4	(184)	(144)
Other income	543	518	492	609	522
Net other operating income	**3 682**	**4 061**	**3 628**	**5 204**	**1 607**
Total income	**10 539**	**11 162**	**10 456**	**11 837**	**8 261**
Salaries and other personnel expenses	2 639	2 702	2 820	2 743	2 721
Other expenses	2 316	1 899	1 779	1 866	1 907
Depreciation and impairment of fixed and intangible assets	529	854	545	494	430
Total operating expenses	**5 485**	**5 455**	**5 145**	**5 102**	**5 058**
Net gains on fixed and intangible assets	4	(65)	20	37	7
Impairment of loans and guarantees	737	1 190	521	685	784
Pre-tax operating profit	**4 321**	**4 453**	**4 810**	**6 088**	**2 425**
Taxes	1 149	614	1 269	1 566	631
Profit from operations held for sale, after taxes	10	4	0	92	0
Profit for the period	**3 181**	**3 843**	**3 541**	**4 614**	**1 794**
Earnings/diluted earnings per share (NOK)	1.96	2.36	2.17	2.84	1.10

Comprehensive income statement — **DNB Group**

Amounts in NOK million	1st quarter 2013	4th quarter 2012 [1)]	3rd quarter 2012 [1)]	2nd quarter 2012 [1)]	1st quarter 2012 [1)]
Profit for the period	**3 181**	**3 843**	**3 541**	**4 614**	**1 794**
Actuarial gains and losses	0	4 203	(47)	(47)	(47)
Tax on actuarial gains and losses	0	(1 155)	13	13	13
Property revaluation	(3)	45	0	0	0
Elements of other comprehensive income allocated to customers (life insurance)	3	(45)	0	0	0
Other comprehensive income that will not be reclassified to profit or loss, net of tax	0	3 048	(34)	(34)	(34)
Currency translation of foreign operations	122	(104)	(55)	78	(129)
Other comprehensive income that may subsequently be reclassified to profit or loss, net of tax	122	(104)	(55)	78	(129)
Other comprehensive income for the period	**122**	**2 944**	**(89)**	**45**	**(163)**
Comprehensive income for the period	**3 304**	**6 787**	**3 452**	**4 658**	**1 631**

1) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.

Profit and balance sheet trends (continued)

Balance sheet					**DNB Group**
Amounts in NOK million	31 March 2013	31 Dec. 2012 1)	30 Sept. 2012 1)	30 June 2012 1)	31 March 2012 1)
Assets					
Cash and deposits with central banks	397 835	298 892	367 409	410 135	433 396
Due from credit institutions	65 459	37 136	42 424	32 258	35 018
Loans to customers	1 315 104	1 297 892	1 307 047	1 308 599	1 284 526
Commercial paper and bonds at fair value	239 527	224 750	198 774	196 935	199 431
Shareholdings	56 906	48 288	47 884	49 417	53 024
Financial assets, customers bearing the risk	30 059	28 269	27 600	25 391	25 770
Financial derivatives	94 509	96 584	101 302	90 707	81 555
Commercial paper and bonds, held to maturity	155 362	157 330	190 312	170 499	168 644
Investment property	33 761	39 496	45 060	45 573	43 049
Investments in associated companies	2 962	2 882	2 795	2 552	2 407
Intangible assets	6 774	6 718	7 035	7 097	7 020
Deferred tax assets	1 276	1 123	631	633	640
Fixed assets	11 006	10 825	6 966	6 780	6 569
Assets held for sale	150	417	15	9	1 092
Other assets	23 124	14 200	23 732	25 623	28 671
Total assets	**2 433 815**	**2 264 801**	**2 368 983**	**2 372 208**	**2 370 813**
Liabilities and equity					
Due to credit institutions	336 528	251 388	293 530	294 125	353 395
Deposits from customers	889 043	810 959	843 340	853 877	805 985
Financial derivatives	64 615	63 274	66 207	60 857	56 039
Debt securities issued	689 923	708 047	727 925	729 309	717 598
Insurance liabilities, customers bearing the risk	30 059	28 269	27 600	25 391	25 770
Liabilities to life insurance policyholders in DNB Livsforsikring	226 367	221 185	220 574	218 081	218 093
Insurance liabilities, DNB Skadeforsikring	2 116	1 780	1 914	1 954	1 945
Payable taxes	8 232	6 831	3 267	1 584	356
Deferred taxes	1 280	1 284	2 449	2 618	3 445
Other liabilities	30 871	18 451	26 851	32 591	34 342
Liabilities held for sale	30	76	0	0	361
Provisions	1 280	770	660	610	525
Pension commitments	4 055	3 904	8 029	8 034	8 045
Subordinated loan capital	18 610	21 090	25 799	25 968	29 021
Total liabilities	**2 303 008**	**2 137 309**	**2 248 144**	**2 255 002**	**2 254 920**
Share capital	16 270	16 269	16 288	16 261	16 275
Share premium reserve	22 609	22 609	22 609	22 609	22 609
Other equity	91 929	88 614	81 942	78 337	77 009
Total equity	**130 807**	**127 492**	**120 839**	**117 206**	**115 893**
Total liabilities and equity	**2 433 815**	**2 264 801**	**2 368 983**	**2 372 208**	**2 370 813**

1) *Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.*

Information about the DNB Group

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Board of Directors in DNB ASA

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Tore Olaf Rimmereid, vice-chairman
Jarle Bergo
Bente Brevik
Sverre Finstad
Carl A. Løvvik
Vigdis Mathisen
Berit Svendsen

Group management

Rune Bjerke	Group chief executive
Bjørn Erik Næss	Chief financial officer
Trond Bentestuen	Chief financial officer Personal Banking Norway
Kjerstin Braathen	Chief financial officer Corporate Banking Norway
Harald Serck-Hanssen	Chief financial officer Large Corporates and International
Ottar Ertzeid	Chief financial officer DNB Markets
Tom Rathke	Chief financial officer Wealth Management
Kari Olrud Moen	Chief financial officer Products
Liv Fiksdahl	Chief financial officer IT and Operations
Solveig Hellebust	Chief financial officer HR
Trygve Young	Chief financial officer Risk Management
Leif Teksum	Chief financial officer Relations
Thomas Midteide	Chief financial officer Corporate Communications

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Financial calendar 2013

Preliminary results 2012 and fourth quarter 2012	7 February
Annual General Meeting	30 April
Ex-dividend date	2 May
Distribution of dividends	as of 13 May
First quarter 2013	26 April
Second quarter 2013	11 July
Third quarter 2013	24 October

Other sources of information

Annual and quarterly reports

Separate annual and quarterly reports are prepared for the DNB Bank Group, DNB Boligkreditt and DNB Livsforsikring. The reports and the Fact Book are available on dnb.no.

Annual and quarterly reports can be ordered by sending an e-mail to investor.relations@dnb.no.

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